THE DAILY NEWS DIGEST

June 4, 2010

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DAILY NEWS DIGEST

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Section I: Texas Air

Armendariz to Texas: Don't Make Me Federalize

Austin Chronicle, 06/04/10

Summary: In the simmering battle between the Environmental Protection Agency and the Texas Commission on Environmental Quality, EPA Region 6 Administrator Al Armendariz told the Chronicle this week that if the state doesn't start issuing federally consistent air permits by June 30, he is prepared to take over the job. Armendariz called from the Gulf Coast, where he's working the BP oil spill, about his plans to make Texas comply with the federal Clean Air Act.

Inhofe warns of Muskogee's risks under new EPA rules

Tulsa World, 06/04/10

Summary: U.S. Sen. Jim Inhofe warned Thursday that a new federal standard on sulfur dioxide, the first for that particular pollutant in nearly 40 years, will be a regulatory train wreck for at least one Oklahoma community. Citing information provided by the U.S. Environmental Protection Agency, which issued the new standard, the Oklahoma Republican said Muskogee County is listed as a possible nonattainment area by 2020. "EPA's new rule comes amidst Oklahoma's tremendous progress in reducing air pollution, including sulfur dioxide," Inhofe said. "The Obama administration's proposal harms communities such as Muskogee, which is trying to create jobs and grow its economy."

Perry to EPA: "Don't Mess with Texas"

Austinist, 06/03/10

Summary: Last week, Gov. Rick Perry fired off a letter to President Obama, urging him to reconsider allowing the Environmental Protection Agency to seize control over Texas' air quality program. The EPA accused the Texas Commission on Environmental Quality of violating the Clean Air Act through an industry-friendly permitting process that fails to adequately enforce federal emissions standards.

EPA tightens standard for SO2 spikes

Greenwire, 06/03/10

Summary: U.S. EPA strengthened air standards today aimed at protecting human health from short-term spikes in sulfur dioxide. The final rule sets an SO2 standard of 75 parts per billion (ppb) averaged over an hour. EPA proposed last year to set the one-hour SO2 limit between 50 ppb and 100 ppb (Greenwire, Nov. 17, 2009). EPA said the one-hour standard is needed to protect against short-term exposure, which can aggravate asthma and cause other respiratory problems. The current limits are 140 ppb measured over 24 hours and 30 ppb measured over a year.

If air is important, the choice for Texas governor is clear

Star-Telegram, 06/03/10

Summary: The sudden flare-up of hostilities between the EPA and state environmental regulators should make for a clearer choice in November's election for Texas governor. If you're a refinery manager or a petrochemical plant owner, Republican Rick Perry is the candidate for you. Caricature of the rough-ridin' Texan that he has become, the nine-year governor has gone to battle against "Washington's command and control approach" and make it easier for you to poison the air.

The Pollution Wars

Texas Tribune, 06/03/10

Summary: The battle between Texas pollution regulators and the Environmental Protection Agency grows more contentious and complex by the day. Gov. Rick Perry accused the EPA on Wednesday of "seek[ing] to destroy Texas's successful clean air program and threaten tens of thousands of good Texas jobs in the process." Environmentalists fired back, in their own news conference, threatening to sue the EPA if the agency doesn't make the state shape up.

Rep. Michael Burgess retracts call for state investigation into TCEQ

Dallas Morning News, 06/03/10

Summary: Five days after calling for an investigation by the Texas attorney general, U.S. Rep. Michael Burgess said Wednesday that such an investigation could duplicate efforts of the current sunset review of the Texas Commission on Environmental Quality. "I have determined that an investigation by the Texas attorney general's office might not be the best course of action," Burgess said Wednesday in a prepared statement.

*Article also covered in Denton Chronicle

Chicago's Mayor Daley and Rick Perry agree on EPA

Dallas Morning News, 06/02/10

Summary: There can't be many things that Chicago Mayor Richard M. Daley and Texas Gov. Rick Perry have in common. I've found one area of agreement. It appears they aren't fans of the Environmental Protection Agency. The EPA wants Texas to issue permits for refineries that federal officials say comply with the federal Clean Air Act. Perry says the EPA's actions will cost Texans jobs and wonders aloud if Washington has something against Texas. He said Texas has made great strides in air quality.

Section II: Oil Spill

BP containment cap now collecting about 1,000 barrels per day: Coast Guard Reuters, 06/04/10

Graham: Spill panel would have subpoena power

AP, 06/04/10

Summary: A leader of the presidential commission investigating the Gulf oil spill said Thursday he has been told his panel will have subpoena power to get a full accounting of the disaster. Former Fla. Sen. Bob Graham, a co-chairman of the commission, said he's not sure if that subpoena power will be necessary for the panel to do its work.

Oil spill forces Obama to postpone foreign travel

Reuters, 06/04/10

Summary: With the worst oil spill in U.S. history presenting a key test of his presidency, President Barack Obama postponed a trip scheduled for this month to Australia and Indonesia, the White House said early on Friday. It was the second time in a little more than two months that Obama canceled a trip to the two countries. He previously was due to have gone in March but postponed to stay at home to give a final push to his healthcare overhaul plan in Congress.

'79 Gulf oil spill leaves sobering lessons for BP

AP, 06/04/10

Summary: It started with a burst of gas through the drilling well. Workers scrambled to close the safety valves but within moments, the platform caught fire and collapsed. Tens of millions of gallons of oil gushed into the Gulf of Mexico. Numerous attempts to stanch the spill failed. Three decades later, the 1979 Ixtoc disaster remains the Gulf's - and the world's - worst oil spill.

Waves of oil tar mount on Fla. Panhandle beaches

AP. 06/04/10

Summary: Waves of gooey tar blobs were washing ashore on the white sand of the Florida Panhandle and nearby Alabama beaches Friday as a slick from the BP spill moved closer to shore. Spotters who had been seeing a few tar balls in recent days found a substantially larger number starting before dawn on the beaches of the Gulf Islands National Seashore and nearby areas, a county emergency official said. The park is a long string of connected barrier islands near Pensacola.

BP: cap gets some Gulf oil, crude still spews

AP, 06/04/10

Summary: BP reported some oil was flowing up a pipe Friday from a cap it wrestled onto its broken Gulf of Mexico well but crude still spewed and it was unclear how much could be captured in the latest bid to tame the nation's worst oil spill. President Barack Obama was set to visit the Louisiana coast Friday, his second trip in a week and the third since the disaster unfolded following an April 20 oil rig explosion.

'Furious' Obama heading to Gulf for spill update

AP, 06/04/10

Summary: Determined to project both command and compassion, President Barack Obama is returning to the Louisiana coast for a fresh reality check on work to stanch the oil spewing into the Gulf of Mexico and the spiraling effects of the nation's worst environmental disaster. The president underscored his focus on the Gulf by abruptly canceling plans for a trip to Indonesia and Australia later this month. Obama, whose visit to Louisiana on Friday will be his second to the Gulf in eight days, spoke for many in declaring himself furious at a situation that "is imperiling an entire way of life and an entire region for potentially years."

Update: Containment cap in place at spill site; hard to tell how much oil diverted as it continues flowing

Birmingham News, 06/04/10

Summary: The Coast Guard admiral overseeing the Deepwater Horizon spill response issued a statement about the placement of the containment well being in place over the Deepwater Horizon riser pipe at the bottom of the Gulf of Mexico, but live video images this morning continued to show spewing oil and it remained unclear how well the latest tactic to lessen the spill had worked. "The placement of the containment cap is another positive development in BP's most recent attempt to contain the leak, however, it will be some time before we can confirm that this method will work and to what extent it will mitigate the release of oil into the environment," Coast Guard Admiral Thad Allen said in the statement.

Laura Bush on Gulf oil spill: Barack shouldn't be blamed

Birmingham News, 06/04/10

Summary: Former first lady Laura Bush says she doesn't think President Barack Obama should be faulted for the continuing oil spill crisis in the Gulf Coast area. Interviewed on "Good Morning America," Bush said: "I think they're doing everything they can." She said it cannot be one person's responsibility to solve the problem.

Gate system intended to block oil at mouth of Mobile Bay abandoned

Birmingham News, 06/04/10

Summary: The gated boom system that officials devised to block oil from Mobile Bay while allowing boat traffic to continue in and out was a "total failure" and has been abandoned, said Jimmy Lyons, chief executive officer of the Alabama State Port Authority. Instead, officials with the Deepwater Horizon response team said they will deal with oil at the mouth of the bay with skimming boats. The gate project was approved by Gov. Bob Riley on May 5. It called for an ad-hoc barrier across the mouth of the bay, featuring boom strung between Dauphin Island and Fort Morgan and a pair of gates that would allow ships to traverse the channel to the Port of Mobile.

What the BP Gulf Oil Spill Means for India

Wall Street Journal, 06/04/10

Summary: BP's exploration disaster in the Gulf of Mexico, which has resulted in a moratorium on deepwater drilling in the region, may soon have repercussions for India's oil and gas sector, ranging from tougher regulatory rules to higher operating costs. In April, BP's exploration rig off the U.S. coast caught fire, killing 11 people and causing a mile-deep oil spill that the oil giant has so far failed to plug.

Spill could mean dark times for Sunshine State

Market Watch, 06/03/10

Summary: Already reeling from a real-estate crisis and deep economic slump, Florida faces yet another financial cataclysm if oil from the Gulf spill mars its famous shores, scaring away crucial tourist traffic and wreaking havoc on its fisheries. Beaches are big business in the Sunshine State. At stake there alone are hundreds of thousands of jobs and perhaps billions of dollars in revenue, depending on when and where the oil from BP PLC's runaway well makes landfall.

So far, celebrities keeping a low profile on oil spill

CNN, 06/03/10

Summary: It's become a tradition. First, the disaster. Then the concert or telethon; messages to donate money or lend a hand -- all with musicians, actors and other celebrities out front. But this time things are a little ... quieter. With some key exceptions, since the Gulf of Mexico oil spill began on April 20 there have been few celebrity calls to arms. Which is not to say that nobody's been paying attention or that celebrities aren't as frustrated as everybody else.

Admiral Says Oil Pipe Is Cut, a Key Step in Halting Leak

NY Times, 06/03/10

Summary: Delicately manipulating a 20-foot-long shear at depths of nearly a mile, technicians successfully snipped a key riser pipe on Thursday in their effort to contain the oil spewing into the Gulf of Mexico. They prepared to cap the remaining pipe later in the day with a dome that they hoped would allow them to funnel the oil to tankers on the surface. Adm. Thad W. Allen, who is commanding the federal response to a spill that has been called the nation's worst environmental disaster, said at a news conference in Metairie, La., that the cut was "a significant step forward." But he cautioned that using a shear, rather than a finer diamond-laced wire saw, as the slicing instrument resulted in a jagged cut, meaning that the containment cap will fit less snugly.

Crist Says 'All Hands on Deck' as Oil Approaches

TheLedger.com, 06/03/10

Summary: Braving thunderstorms and 4-foot seas, a small armada of oil-skimming vessels patrolled the coast of Florida's Panhandle on Thursday in a desperate bid to keep the encroaching slick at sea. Spotters found patches of the slick just six miles from the coast - a distance where ships are within sight of the beach - near the popular tourist destinations of Navarre Beach and Destin. But underscoring the pervasive nature of the threat, Gov. Charlie Crist sighted a patch of oil "sheen" 3.5 miles from Pensacola Beach during an aerial tour Thursday afternoon. And Crist said there were no skimming vessels in sight.

Oil by the numbers

Houston Chronicle, 06/03/10

Summary: The oil spill has left the central Gulf of Mexico awash in goo and the nervously watching American public buried in a blizzard of numbers: 20,000 barrels per day gushing into Gulf waters; 20,000 workers striving around the clock to plug the spill; nearly 1,400 vessels mobilized for the effort; millions of feet of boom to corral the oil; a million or so gallons of dispersant to break it up. And much more of everything in prospect as the effort continues to plug the runaway well and stop the mess from widening. We'll offer one number that hasn't received the attention it deserves: 20 million. That's roughly the number of barrels of oil consumed each day by this country's cars, trucks, heavy equipment—everything.

Bobby Jindal Asks Obama To End Moratorium On Deepwater Drilling

Huffington Post, 06/03/10

Summary: Louisiana Gov. Bobby Jindal wrote President Obama a letter on Wednesday criticizing his decision to implement a temporary moratorium of deepwater drilling in the Gulf of Mexico. Arguing that his state had already suffered crippling economic consequences, the Louisiana Republican urged Obama to rethink his decision to suspend activity at 33 previously permitted deepwater drilling rigs -- including 22 "currently in operation off the Louisiana coast."

MMS suspends permits for Gulf drilling regardless of water depth

Washington Post, 06/03/10

Summary: The Minerals Management Service has stopped issuing permits for new oil and gas drilling in the Gulf of Mexico regardless of water depth, effectively extending President Obama's previously announced suspension of permits for deepwater drilling into the shallow waters. Michael J. Saucier, regional supervisor of field operations for the MMS Gulf of Mexico region, said in an e-mail to one company seeking a permit that "until further notice we have been informed not to approve or allow any drilling not matter the water depth." Only three days earlier the company had been informed that drilling in water up to 500 feet deep would not be affected by the Obama moratorium.

Obama's Oil Spill Response: Do Americans Want Him To Show More Emotion? No, They Do Not

Huffington Post, 06/03/10

Summary: Unless you're comatose or have found another pleasant way of avoiding the subject, you're probably aware that for the past week or so the political media has been blissing out to a pointless discussion of whether or not President Barack Obama has shown sufficient emotion over the ongoing oil spill in the Gulf of Mexico. One would think that it would be widely recognized that rational decision-making is actually undermined by working oneself into a state of extreme emotional duress, but who knows? Maybe as soon as Obama displays the magical gesture from 19th-century staged melodramas, the oil will know we mean business and go away!

BP CEO: 'We will be here for a very long time'

AP, 06/03/10

Summary: BP Chief Executive Officer Tony Hayward says the company should know in 12 to 24 hours whether its latest effort will contain the Gulf oil spill, though he conceded the attempt is risky. Hayward said Thursday that the risk had been reduced after a major pipe was cut away earlier in the day. Government officials have warned that cutting away the pipe could, at least temporarily, increase the flow of oil by 20 percent. Hayward says the company will be on the Gulf coast for a long time cleaning up the spill and will continue until every drop of oil is recovered.

BP spill could reach Atlantic Coast within weeks

Reuters, 06/03/10

Summary: Oil from the BP spill in the Gulf of Mexico could float around Florida and up the U.S. East Coast as far as North Carolina, the National Center for Atmospheric Research said on Thursday. Citing computer models, scientists at the federally-funded center said in a statement that the oil could reach Florida's Atlantic Coast within weeks and could move as far north as Cape Hatteras, North Carolina. "I've had a lot of people ask me, 'Will the oil reach Florida?'" NCAR scientist Synte Peacock said in the statement. "Actually, our best knowledge says the scope of this environmental disaster is likely to reach far beyond Florida, with impacts that have yet to be understood."

Is Louisiana trip Obama's ticket Down Under?

Reuters, 06/03/10

Summary: President Barack Obama is due to take off this month for a trip to Australia and Indonesia that he has already rescheduled once because of pressing matters here in the United States. In March, the imminent passage of healthcare reform prompted him to put off the journey until June. Now the talk in Washington is that the BP oil spill soiling the Gulf of Mexico could force him to put off the trip again — or even cancel it for good.

BP credit ratings cut as oil-spill costs mount

Reuters, 06/03/10

Summary: Fitch Ratings downgraded BP, reversing its view that the Gulf of Mexico oil spill would have a limited financial impact on the company, and was joined by Moody's as fears grow over clean-up and legal costs. "The downgrade of BP's ratings reflects Fitch's opinion that risks to both BP's business and financial profile continue to increase following the Deepwater Horizon accident," Fitch said on Thursday. The BP oil spill, which began in April, is causing an ecological and economic catastrophe along the U.S. Gulf coast.

Federal funding cuts leave oceanographers, spill responders in dark

Greenwire, 06/03/10

Summary: Gulf Coast oceanographers have been forced to operate in dim conditions. Five years ago, before the money dried up, oceanographer Robert Weisberg had 14 buoys bobbing up and down off the West Florida coast. The buoys were vital scientific instruments, recording salinity, temperature and current speed. They granted real-time insight into the unruly stew of the Gulf of Mexico's shifting flows. Ocean models were tested, and improved.

Deepwater companies pull up stakes, and some may never return

Greenwire, 06/03/10

Summary: Walter Oil & Gas Corp. executives were within 9,000 feet of finding out if they would hit oil under the Gulf of Mexico. Now, they don't know if they will ever find out. The company and its contractors had drilled about 12,000 feet down from a seabed located about 1,200 feet from the surface of the Gulf of Mexico, in Ewing Bank Block 834. The oil they were looking for was supposed to be at 21,000 feet.

BP chief Hayward faces uncertain job future

Greenwire, 06/03/10

Summary: As the BP PLC well continues to spill oil into the Gulf of Mexico and the company sees its share price plummet, questions are circling about how long CEO Tony Hayward can keep his job. The company's board says it is "100 percent aligned" with Hayward in the disaster, and many feel that Hayward will stay on until the oil well is capped, which may not be for another two months. With the crisis continuing to worsen, it makes little sense for the company to bring in a successor who would also become tarnished. But Hayward's long-term prospects are hazy at best.

Obama admin dismisses 'crazy' idea of nuking well

Greenwire, 06/03/10

Summary: In the federal government's response to the Deepwater Horizon oil spill, the nuclear option is off the table. Armchair experts have suggested that the United States could stop the flow of oil in the Gulf of Mexico by deploying a nuclear weapon. It has supposedly worked for the Soviet Union, which reportedly used nuclear blasts to melt rock and stop out-of-control gas wells.

Another Torrent BP Works to Stem: Its C.E.O.

New York Times, 06/03/10

Summary: BP, already bedeviled by an out-of-control well spewing millions of gallons of oil into the Gulf of Mexico, now finds itself with one more problem: Tony Hayward, its gaffe-prone chief executive. Among his memorable lines: The spill is not going to cause big problems because the gulf "is a very big ocean" and "the environmental impact of this disaster is likely to have been very, very modest." And this week, he apologized to the families of 11 men who died on the rig for having said, "You know, I'd like my life back."

Gulf oil spill and the use of dispersants

Post Partisan, 06/03/10

Summary: Using the oil-cutting chemical makes sense for a little spill. But for the thick cloud of ooze stretching its way across the Gulf Coast? So I asked the folks at the Environmental Protection Agency. An EPA official told me yesterday that while dispersants were "pre-approved for deep water use," the agency is now "insisting that dispersants be used only in minimum amounts and that spraying of dispersants be an absolute last resort." On May 26, the EPA issued a directive to BP that dispersant spraying is the last resort and subsea dispersant use is limited to 15,000 gallons a day. According to an EPA official, "15,000 is much, much less than BP was using." The agency said that surface burning, collection, booming and skimming "are much more effective and preferable to spraying dispersants."

BP tries again to cap well as protests against oil giant set to start

CNN, 06/03/10

Summary: After days of reporting failures, BP made progress in containing a ruptured oil well Thursday when it was able to sever a damaged riser pipe. The success, however, was tempered by the grim reality that oil could continue gushing into the Gulf of Mexico at least until August, when BP hopes to have a relief well in place.

Confusion over Obama administration's restrictions for drilling in Gulf of Mexico

Times-Picayune,06/03/10

Summary: The Washington Post is now reporting that "The Interior Department denied that it has extended a drilling freeze to shallow waters of the Gulf of Mexico, contradicting an e-mail written earlier Thursday by the head of the Minerals Management Service's supervisor of field operations for the Gulf of Mexico.

Obama Administration sends BP \$69 million bill for clean-up efforts for Gulf oil spill Times-Picayune, 06/03/10

Summary: The Obama Administration has sent BP and other responsible parties a bill for \$69.09 million to cover cleanup operations so far related to the Gulf oil spill. The cost is expected to rise as the cleanup and containment efforts continue. The administration "will continue to bill BP regularly for all associated costs to ensure the Oil Spill Liability Trust Fund is reimbursed on an ongoing basis," the administration said in a news release on the website of the Unified Command for Deepwater Horizon spill response, www.deepwaterhorizonresponse.com.

Two birds rescued from Gulf oil spill to be released into wild today

Times-Picayune, 06/03/10

Summary: Two rehabilitated birds that were rescued from the oil spill area are set to be released into the wild this afternoon, far from the massive oil slick in the Gulf of Mexico. The U.S. Fish and Wildlife Service and the Louisiana Department of Wildlife and Fisheries will release the birds in the Sherburne Wildlife Management Area in Iberville Parish.

"Listening session" for oil spill response set for tonight in Grand Isle

Times-Picayune, 06/03/10

Summary: A community "listening session" featuring representatives of BP and some federal agencies will be held tonight in Grand Isle. The event begins at 6 p.m. at the First Baptist Church, 129 Cedar Lane.

Gulf oil spill could reach Atlantic coast and beyond, study suggests

Times-Picayune, 06/03/10

Summary: A study released today, based upon computer models, shows that oil from the Gulf of Mexico spill could extend up the Atlantic coast of the United States and into the open ocean this summer. The computer simulations show that, once the oil reaches the Gulf's Loop Current, it will reach Florida in a matter of weeks. It will then be carried as far north as Cape Hatteras, N.C., and east from there. The models do not indicate if the oil will be on the surface or submerged.

*Article also covered in MSNBC

Oil nears northwest Florida

International Business Times, 06/03/10

Summary: With oil slicks from the catastrophic Deepwater Horizon leak sloshing around approximately ten miles from shore, the Florida panhandle is bracing for a gooey, appalling landfall, which could occur as early as today. "We've got plans in place to deal with this as best we can," said Pat Behnke, spokesperson for the Florida Fish and Wildlife Conservation Commission. "We have hotlines for the public to contact us if they see wildlife in distress due to the oil. We advise the public to call and not try to save animals themselves. They could do more harm than good. We have training in how to clean seabirds, turtles and other affected animals."

Florida senator calls on Obama to do more to contain oil spill

The Hill, 06/03/10

Summary: Sen. Bill Nelson, a Democrat from Florida, has called on President Barack Obama to do more to contain the fallout from the Gulf oil spill. Nelson on Thursday called for the White House to send more military assets to the Gulf before the giant oil slick hits Florida's beaches. "This is the largest environmental disaster in our nation's history," Nelson said in a statement. "If this doesn't call for more organization, control and assets — like sub-sea mapping by the Navy, for instance — then nothing does."

'Significant step' toward oil capture reported as Obama to visit Gulf again

The Hill, 06/03/10

Summary: The U.S. Coast Guard official overseeing the BP oil spill response said Thursday that the company had made a "significant step forward" in its latest effort to contain the leak. Adm. Thad Allen, the national incident commander, said BP was able to cut through a riser pipe and will soon attempt to move a containment device into place that is designed to capture oil from the ruptured undersea well. The company hopes to do that today.

BP paid for agency officials' trips, meals

The Hill, 06/03/10

Summary: BP and others in the oil and gas industry have paid for dozens of trips and meals for officials at federal agencies deeply involved in Washington's response to the catastrophic Gulf of Mexico oil spill. A review by The Hill of gift reports on file at the Office of Government Ethics shows oil and gas companies picked up the tab for tours by federal officials of offshore oil rigs in the Gulf along with oil facilities in Alaska.

BP cuts leaking oil pipe; protests set to start

CNN, 06/03/10

Summary: In its latest attempt to contain the undersea oil gusher in the Gulf of Mexico, oil company BP on Thursday sliced off the top of a damaged riser. Coast Guard Adm. Thad Allen, the federal government's response manager, called the development a "significant step forward." Next, BP will attempt to capture the oil by lowering a containment dome over the ruptured well and start siphoning the oil to the surface, he said. BP is entering a "test and adapt" phase after it failed Wednesday to make a more precise cut of the leaking pipe, Allen said. Instead, the oil company had to settle for a rougher cut, making a tighter seal less likely.

Obama Returning to Gulf Coast Tomorrow

CBS, 06/03/10

Summary: Criticized for not displaying enough public concern about the BP oil leak and its impact, President Obama returns to the Louisiana Gulf Coast tomorrow for another visit. A White House statement says Mr. Obama wants to "assess the latest efforts to counter the BP Deepwater Horizon oil spill." It'll be his 3rd visit since the April 20th explosion on the Transocean oil rig that triggered the calamitous underwater leak. *Also in Birmingham News

Website offers link for oil spill volunteers

Caller.com, 06/03/10

Summary: BP and the White House have said the oil giant has the financial muscle to cover the cost of cleaning up the oil spill and compensating those affected. All analysts consulted by Reuters agree on this, and that the key determinant of how much it does finally cost depends on how long the oil continues to flow. Analysts and investors have started to factor in that the spill lasts until August, when a relief well is expected to be completed. The relief well would end the spill even if earlier efforts to cap the ruptured well have failed.

BP slices oil pipe in 'significant step forward'

MSNBC, 06/03/10

Summary: BP's underwater robots have succeeded in shearing through the pipe atop a blown-out well in the Gulf of Mexico, the top U.S. official overseeing the cleanup said on Thursday. Video images from BP's live stream showed a diamond saw trying to even the edges of the cut Thursday afternoon. BP had earlier used the shears after the saw became stuck in the pipe halfway through the job, yet another frustrating delay in six weeks of failed efforts to stop, or at least curtail, the worst oil spill in U.S. history.

Environmental funds battled BP for years

Reuters, 06/03/10

Summary: Though once hailed for its investments in renewable energy and a green advertising campaign, the British oil giant worried fund managers over a string of accidents and safety fines dating to 2005. The company also had dialed back its outreach, and even as BP became a mainstay of sustainable-investing stock indexes, many specialists had sold their shares or were moving to do so. "Safety has environmental and investing implications," said Joe Keefe, Chief Executive of Pax World Management LLC in New Hampshire, which owns \$2.4 billion in shares of companies that meet environmental or social criteria.

Scenarios: The future for BP after the oil spill

Reuters, 06/03/10

Summary: BP and the White House have said the oil giant has the financial muscle to cover the cost of cleaning up the oil spill and compensating those affected. All analysts consulted by Reuters agree on this, and that the key determinant of how much it does finally cost depends on how long the oil continues to flow. Analysts and investors have started to factor in that the spill lasts until August, when a relief well is expected to be completed. The relief well would end the spill even if earlier efforts to cap the ruptured well have failed.

Would federal intervention in oil disaster make U.S. liable?

CNN, 06/03/10

Summary: Nearly seven weeks into the Gulf of Mexico oil disaster, the Obama administration is facing increasing calls to take over the cleanup operation from beleaguered oil giant BP. While the government has the legal means of doing that, the consequences might ultimately hurt the government. On Tuesday, Attorney General Eric Holder announced the Justice Department has launched a criminal and civil investigation into devastating spill and BP's actions. He said the investigation, which began weeks ago, would be comprehensive and aggressive. He also said federal officials will prosecute anyone who broke the law.

BP cuts through riser pipe for well cap

Market Watch, 06/03/10

Summary: The cut will allow BP PLC to proceed with plans to cap the well over the next few hours and start pumping oil up to tanker ships on the surface, said Allen, the official overseeing the federal response to the massive spill. Allen's comment provided a rare glimmer of hope in a series of failed attempts to contain the spill that began after the Deepwater Horizon rig caught fire on April 20 in the Gulf of Mexico about 50 miles off the coast of Louisiana.

Gulf spill workers complaining of flulike symptoms

AP. 06/03/10

Summary: For days now, Dr. Damon Dietrich has seen patients come through his emergency room at West Jefferson Medical Center with similar symptoms: respiratory problems, headaches and nausea. In the past week, 11 workers who have been out on the water cleaning up oil from BP's blown-out well have been treated for what Dietrich calls "a pattern of symptoms" that could have been caused by the burning of crude oil, noxious fumes from the oil or the dispersants dumped in the Gulf to break it up. All workers were treated and released.

Justice Department Files Motion in Court To Block Transocean From Limiting Liabilities

BNA's Daily Environment, 06/03/10

Summary: Department of Justice attorneys June 1 filed a motion in the U.S. District Court for the Southern District of Texas asking it to block Transocean Ltd., the owner of the drilling rig Deepwater Horizon, from limiting its liabilities linked to the April 20 explosion of the rig and the subsequent oil spill. Transocean had petitioned the court May 13 to limit its liability concerning the Deepwater Horizon explosion, fire, and oil spill to \$26.8 million, citing the Limitation of Shipowner's Liability Act of 1851 and Rule F of the Supplemental Rules for Certain Admiralty and Maritime Cases.

NOAA Research Vessel Begins Mission To Study Dispersal of Oil in Gulf of Mexico BNA's Daily Environment, 06/03/10

Summary: A government research vessel will begin a 10-day mission to study the location and the movement of oil and dispersed oil below the surface in the area around the Gulf of Mexico oil spill, Administrator for the National Oceanic and Atmospheric Administration Jane Lubchenco announced June 2 at an incident command center in Schriever, La. A team of government and academic scientists are aboard the 208-foot NOAA research ship Thomas Jefferson, one of several agency vessels conducting research on water and marine life.

Wash off tarballs, but brief encounters not risky

AP, 06/03/10

Summary: Oil has now washed up on the beaches of three Gulf states. How dangerous is it? Not very, experts say. People should of course stay away from oil on the beach or in the water, but swallowing a little oil-tainted water or getting slimed by a tarball is not considered grounds for a trip to the emergency room, health officials say.

Political Fallout from Oil Spill Still Hounds Obama

CBS News, 06/02/10

Summary: President Obama was in Pittsburgh today to talk about the economy, but the disaster in the Gulf was never far from his mind. Weaving the oil spill and energy issues into his speech, he made two basic arguments related to the spill. First, right from the top of the speech he continued his campaign to convince a skeptical public that he's fully engaged: "Right now, stopping this oil spill and containing its damage must be the top priority of my Administration, and we are waging this battle every minute of every day," he said.

Obstacles Bedevil Oil Spill Response as Feds Claim Control

Homeland Security Today, 06/02/10

Summary: The White House began exerting a stronger presence in the response to the Deepwater Horizon oil spill Tuesday with Thad Allen, national incident commander of the spill, outlining a number of steps the Obama administration has taken with federal agencies, state and local governments, and the private sector. Allen sought to assure the public that the federal government was indeed in charge of the sprawling oil spill as it entered its 43rd day of leaking from a damaged well owned by BP Plc.

Obama's agenda gets bogged down in oil

Los Angeles Times, 06/02/10

Summary: Heading into midterm elections that threaten his party's control of Congress, President Obama is struggling with an unending environmental catastrophe in the Gulf of Mexico that makes it almost impossible to stick with his agenda. This was supposed to be the season when Obama could make jobs and the economy his central focus.

BP says unprepared for Gulf spill; pipe awaits cut

Star-Telegram, 06/02/10

Summary: BP's top executive acknowledged Thursday the global oil giant was unprepared to fight a catastrophic deepwater oil spill as engineers were forced yet again to reconfigure plans for executing their latest gambit to control the Gulf of Mexico gusher. BP PLC planned to use giant shears to cut a pipe a mile below the sea after a diamond-tipped saw became stuck halfway through the job, another frustrating delay in six weeks of failed efforts to stop or at least curtail the worst oil spill in U.S. history.

Reckoning in the Gulf

New York Times, 06/02/10

Summary: The criminal and civil investigations announced by the Justice Department this week into the disastrous oil spill in the Gulf of Mexico are clearly necessary. The spill, the worst in United States history and growing more damaging by the day, cries out for accountability and appropriate punishment. Attorney General Eric Holder did not name specific targets, but BP, Transocean — the rig operator — and other important subcontractors like Halliburton are obvious candidates.

Section III: Other

McDonald's pulls cadmium-tainted 'Shrek' glasses

AP, 06/04/10

Summary: Cadmium has been discovered in the painted design on "Shrek"-themed drinking glasses being sold nationwide at McDonald's, forcing the burger giant to recall 12 million of the cheap U.S.-made collectibles while dramatically expanding contamination concerns about the toxic metal beyond imported children's jewelry.

Council wants more information on energy-rate adjustment

Trinidad Times, 06/04/10

Summary: Trinidad's city council voted Tuesday to seek additional information from the president of the Arkansas River Power Authority (ARPA) before deciding whether to approve a energy rate adjustment (ERA) consisting of a 3.7-percent to 3.8-percent cost increase for the city's Power and Light customers. If eventually approved, the ERA would be authorized from July 1 to Dec. 31. ARPA General Manager William Leung had previously appeared before the council in April and in May to discuss ARPA-related issues, including a power rate increase and a power prepayment arrangement that the council approved last month.

Sewage spill blamed on vandals

San Antonio Express, 06/04/10

Summary: Vandals dropping rocks into a sewer pipe have caused a sewage spill of more than 100,000 gallons in a tributary of Salado Creek on San Antonio's North Side. San Antonio Water System responded to the spill on Wednesday and temporarily stopped the overflow before safety concerns from the heavy rains and high winds stopped the work.

EPA Adds Definition to Air Toxics Rule for Paints

BNA's Daily Environment, 06/03/10

Summary: The Environmental Protection Agency will amend its air toxics emissions standards for small paint and adhesive manufacturers to include a definition of hazardous air pollutants that addresses non-carcinogens, according to a direct final rule to be published in the Federal Register June 3. The direct final rule will not alter the national emissions standards for hazardous air pollutants for paints and allied products.

New EPA Guidance Clarifies Requirements For Concentrated Animal Feeding Operations

BNA's Daily Environment, 06/03/10

Summary: Guidance issued by the Environmental Protection Agency May 28 is aimed at clarifying what concentrated animal feeding operations must do to comply with federal clean water regulations and to help CAFO owners determine whether they need a permit. The guidance is designed to help owners and operators do an assessment of their feedlots and to help authorities determine whether the feedlots are in compliance with EPA rules.

EPA Finalizes One-Hour Limits for Sulfur-Dioxide Emissions

Wall Street Journal, 06/03/10

Summary: The U.S. Environmental Protection Agency Thursday issued a final air-quality standard for sulfur dioxide, requiring hourly limits to protect against aggravating respiratory problems like asthma. The one-hour standard, which would require cleaner emissions from coal-fired power plants and other industrial emitters at 75 parts per billion, is designed to protect against short-term exposure ranging from five minutes to 24 hours.

Regulators yank two new drilling permits

Houston Chronicle, 06/03/10

Summary: The U.S. Environmental Protection Agency Thursday issued a final air-quality standard for sulfur dioxide, requiring hourly limits to protect against aggravating respiratory problems like asthma. The one-hour standard, which would require cleaner emissions from coal-fired power plants and other industrial emitters at 75 parts per billion, is designed to protect against short-term exposure ranging from five minutes to 24 hours.

Gas is gaining environmental groups' favor, but with caveats

Star-Telegram, 06/03/10

Summary: Representatives of two leading environmental organizations expressed conditional support for shale gas drilling Thursday but called on the energy industry to embrace stronger government regulations designed to curb abuses by "bad actors" among them. Bruce Nilles, deputy conservation director for the Sierra Club, and Ramón Alvarez, senior scientist with the Environmental Defense Fund, said natural gas can play a significant role in helping the U.S. to rely less on coal and to expand use of renewable energy like wind and solar power. But in comments at the ninth annual Gas Shales Summit in Houston, they said drilling in the gas-rich Barnett Shale of North Texas and other major gas-shale fields needs to come under stronger regulatory scrutiny.

Senators back Jindal agenda

Baton Rouge Advocate, 06/03/10

Summary: A series of bills that are a focal point of Gov. Bobby Jindal's legislative package cleared the state Senate on Tuesday. The measures would change the rules on state trust funds to make it easier for them to be used to tackle the \$3 billion shortfall facing state government over the next two years. Senate President Joel Chaisson II, D-Destrehan, said the legislation is necessary to deal with the tough budget times ahead.

EPA Issues Draft Rule Proposal

Farm Futures, 06/03/10

Summary: The U.S. Environmental Protection Agency is proposing a new permit requirement that it says would decrease the amount of pesticides discharged to our nation's waters and protect human health and the environment. According to EPA the new permit would not cover terrestrial application to control pests on agricultural crops or forest floors. EPA estimates that the pesticide general permit will affect approximately 35,000 pesticide applicators nationally that perform approximately half a million pesticide applications annually. The proposed permit would require all operators to reduce pesticide discharges by using the lowest effective amount of pesticide, prevent leaks and spills, calibrate equipment and monitor for and report adverse incidents. Additional controls such as integrated pest management practices are built into the permit for operators who exceed an annual treatment area threshold.

Superfund Job Training Initiative Provides Opportunities for Citizens Living Near the Tar Creek Site

Epa.gov, 06/03/10

Summary: The Environmental Protection Agency (EPA) has implemented the Superfund Job Training Initiative (SuperJTI) for the Tar Creek Superfund Site in Northeast Oklahoma. The program builds a foundation for hope and a brighter future for the program's men and women who will begin their careers as environmental workers for the Tar Creek Site. SuperJTI is a job readiness program designed to provide training and employment opportunities for underserved citizens living in communities affected by Superfund sites.

The Energy Bill's Moment of Opportunity

Newsweek, 06/03/10

Summary: If photos of dead birds and soiled beaches don't make you long for a horizon covered in wind turbines and solar panels, odds are nothing will. That's the reasoning President Obama is hoping will add a needed nudge to the climate and energy bill currently stalled in the Senate. Sens. Kerry and Lieberman—with the White House's nod—introduced their energy bill two weeks after the incident in the gulf. To bring the maximum number of Republicans on board, it included drilling.

Picher buyout lawsuit grows to 270 plaintiffs

Tulsa World, 06/03/10

Summary: The number of people who are suing over how their properties were handled in the federally funded buyout in Picher and Cardin now stands at about 270. A petition, recently filed in Tulsa County District Court, added 67 residents to the initial lawsuit that accuses several insurance companies and two appraisal companies of working with the Lead-Impacted Communities Relocation Assistance Trust to lowball or undervalue the buyout offers. More than 700 pieces of property are involved in the \$60 million buyout, which is expected to be completed later this year.

Interior's MMS issues new Louisiana offshore oil drilling permits

San Francisco Chronicle, 06/03/10

Summary: With still no clear plans presented to the public on how to deal with accidental oil gushers such as the current BP oil disaster, the Department of the Interior's Minerals Management Service issued a new drilling permit to Bandon Oil and Gas, LP for a site about 50 miles off the coast of Louisiana and 115 feet below the ocean's surface. An Internet deep link search reveals Bandon Oil and Gas was recently known as Beryl Oil and Gas LP. Records also show that Bandon was recently acquired by Superior Energy Services, Inc.

TCEQ Fines: 06.03.10

Caller.com, 06/03/10

Summary: Texas Commission on Environmental Quality commissioners approved these fines Wednesday:

Texans in Congress say drilling support not tied to oil industry donations

Dallas Morning News, 06/03/10

Summary: Texans in Congress – many of whom have received hefty campaign contributions from the oil industry – are standing firm in their support for offshore drilling as oil gushes into the Gulf of Mexico. Some of the state's lawmakers are also among the most outspoken critics of President Barack Obama's order suspending deepwater exploration. "It's exactly the wrong decision," said Rep. Joe Barton, R-Arlington, who has received more oil industry donations than any other current U.S. House member.

SMU goes green

SMU Daily Campus, 06/03/10

Summary: Classrooms and students LEED campus GREEN initiatives. Evergreen grass, freshly cut lawns, rows of leafy green trees: SMU's campus is no slouch in landscaping, even if it's what's inside that matters the most. SMU's lush landscaping has been recognized by the Grounds Management Society for "exceptional grounds maintenance," and it leads the state of Texas in green sustainability buildings. In 2006, J. Lindsay Embrey, which houses the mechanical, environmental and civil engineering departments, was the first university building in Texas to be certified gold LEED.

Tenaska Hearing daily updates: June 3

Abilene Reporter, 06/03/10

Summary: After more questions for Campbell about the issues surrounding regulations of carbon dioxide emissions, the hearing is adjourned until tomorrow. In the morning, air and toxicology specialists from the Texas Commission on Environmental Quality will testify. TCEQ helped Tenaska prepare its air quality permit application. Four Big Country landowners are attending today's hearing to show opposition to the proposed power plant. Sisters Treet and Vicki Broadwell and siblings David "Joe" and Marilyn Starkey made the trek to Austin as part of the Multi-County Coalition. They won't personally testify, but they are represented by Hammond. William Campbell, an environmental consultant for Tenaska, is answering questions about the formulas he used to come up with projected carbon dioxide emission levels for Trailblazer.

Tenaska touts 'revolutionary' plant; opponents question funding

Abilene Reporter, 06/02/10

Summary: The hearing for Tenaska's air quality permit application began in Austin on Wednesday with a Tenaska official touting international interest in the "revolutionary" carbon-capturing technology the coal-fired power plant is proposing to use. Opponents of the power plant questioned Tenaska officials about the uncertain funding sources some fear could fall through and lead the plant to emit more carbon into the Sweetwater skies than expected. Those parties will continue hashing out issues surrounding the \$3.5 billion Trailblazer Energy Center through early next week at the State Office of Administrative Hearings.

Court Tosses Landmark Global Warming Ruling After Late Recusal

New York Times, 06/02/10

Summary: After an unusual about-face prompted by a late recusal, a federal appeals court has scrapped a ruling that said the nation's largest producers of greenhouse gas emissions could be sued for the damage caused by global warming. The case, Comer v. Murphy Oil, started with a lawsuit by Gulf Coast residents affected by Hurricane Katrina.

EPA Seeking to Regulate Pesticides as Water Pollutants

Fair Warning, 06/02/10

Summary: The Environmental Protection Agency (EPA) today announced a proposed pesticide permit system that would require farmers and other users to minimize pesticide application, prevent leaks and spills and report incidents. For decades the Clean Water Act has regulated pollutant discharge through a permitting process, but the EPA never categorized pesticides as "pollutants." This changed last year, when a U.S. Court of Appeals ruling upheld the EPA's authority to subject pesticide discharges to a permitting process. The decision overturned a controversial 2006 Bush administration rule that exempted certain pesticide uses from CWA regulation.

EPA chief to speak at MAST graduation

Miami Herald, 06/02/10

Summary: They didn't get the president, but the graduating seniors from MAST Academy are still getting a superstar commencement speaker: the head of the U.S. Environmental Protection Agency. EPA Administrator Lisa Freed will deliver the keynote speech at the June 7 graduation ceremony. Earlier this year, MAST was one of six high schools nationwide vying to have President Obama deliver its commencement address. Obama launched the contest as a means of recognizing standout schools with top graduation rates. Hundreds of schools applied, submitting creative essays and video clips, the White House said. MAST made it to the top six, but did not garner enough votes from the public to move on to the final three. Principal Thomas Fisher said he was ``extremely proud'' of his students.



News: June 4, 2010

http://www.austinchronicle.com/gyrobase/Issue/story?oid=oid%3A1037383

Armendariz to Texas: Don't Make Me Federalize

By Katherine Gregor

In the simmering battle between the **Environmental Protection Agency** and the **Texas Commission on Environmental Quality**, EPA Region 6 Administrator **Al Armendariz** told the *Chronicle* this week that if the state doesn't start issuing federally consistent air permits by June 30, he is prepared to take over the job. Armendariz called from the Gulf Coast, where he's working the BP oil spill, about his plans to make Texas comply with the federal Clean Air Act. (See "**Environmental Cage Match**," May 28.)

Armendariz reiterated that he'd prefer to see the TCEQ write air permits for industry that follow federal law so he does not have to take over issuing air permits. "But I will federalize them if the state won't write federally consistent permits," he said. In addition to the Flint Hills refinery permit, which EPA has already taken over, "We're totally prepared to do all the others," he said. That could include all 40 of the plant permits to which EPA already has objected. But he'd rather not play the heavy: "The state still has the ability to do those permits if it has a change of heart.

"This action that we're taking [on permits last week] is just one of the significant issues we have with the air quality program at TCEQ," he continued. "We have problems with the program itself – the rules they operate under, their processes, public engagement" and on and on. "So this goes far beyond air permits. The program itself also has to be fixed."

Do the problems at TCEQ run so deep that the agency needs to be abolished and a whole new agency created under the state's Sunset Review process this year? Armen-dariz declined to offer an opinion, as that's a state legislative process. He said: "There are a lot of good things TCEQ does. Our staffs work together very well on a lot of important issues. But at the same time, there are a lot of serious deficiencies.

"We can't allow the goodwill we wish to have with the state to interfere with our federal obligation to enforce the Clean Air Act," he said. "But they do many other things very well.

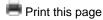
"The prospect of taking over an entire air permitting program is one that takes many, many months," he continued. So "it's one we'll start taking over very, very soon" unless TCEQ "gets its act together.

"I really hope to see examples of corrected permits that no longer have the serious flaws we've identified," said Armen-dariz. But a few good permits won't be enough: "The state needs to demonstrate they are willing and able to write good permits, consistently, for every air quality permit issued by the state of Texas."

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Inhofe warns of Muskogee's risks under new EPA rules

by: JIM MYERS World Washington Bureau Friday, June 04, 2010 6/4/2010 4:42:25 AM

WASHINGTON — U.S. Sen. Jim Inhofe warned Thursday that a new federal standard on sulfur dioxide, the first for that particular pollutant in nearly 40 years, will be a regulatory train wreck for at least one Oklahoma community.

Citing information provided by the U.S. Environmental Protection Agency, which issued the new standard, the Oklahoma Republican said Muskogee County is listed as a possible nonattainment area by 2020.

"EPA's new rule comes amidst Oklahoma's tremendous progress in reducing air pollution, including sulfur dioxide," Inhofe said. "The Obama administration's proposal harms communities such as Muskogee, which is trying to create jobs and grow its economy."

He described the new standard as "part of EPA's oncoming regulatory train wreck that will stifle growth and economic development in Muskogee, as well as in cities and towns across the nation."

As the top Republican on the Senate Environment and Public Works Committee, Inhofe is a major player on such issues and has supported another approach designed to reduce certain pollutants while providing certainty to industry.

"Congress must address the overlapping and confusing suite of EPA air regulations that will spawn a wave of litigation instead of advancing environmental progress," he said.

EPA Administrator Lisa Jackson described her agency's action as a new way to tackle an old problem and give all communities the clean-air protections they deserve.

"Moving to a one-hour standard and monitoring in the areas with the highest SO2 levels is the most efficient and effective way to protect against sulfur dioxide pollution in the air we breathe," she said. "This is one of many pollutants we've been able to significantly reduce through the Clean Air Act, keeping people healthy, protecting our environment and growing our economy."

The EPA is setting the one-hour sulfur dioxide health standard at 75 parts per billion, a level that is designed to protect against short-term exposure ranging from five minutes to 24 hours.

Health benefits associated with the rule range were estimated by the EPA to amount to \$13 billion to \$33 billion annually.

The EPA stated that the benefits include preventing 2,300 to 5,900 premature deaths and 54,000 asthma attacks a year.

It put the cost in 2020 to fully implement this standard at approximately \$1.5 billion.

The final rule addresses only the sulfur dioxide primary standards, which are designed to protect public health.

The EPA will address the secondary standard — which is designed to protect the public welfare, including the environment — as part of a separate review to be completed in 2012.

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Return to Story











Perry to EPA: "Don't Mess with Texas"

Last week, Gov. Rick Perry <u>fired off a letter</u> to President Obama, urging him to reconsider allowing the <u>Environmental Protection</u> <u>Agency</u> to seize control over Texas' air quality program.

The EPA accused the <u>Texas Commission on Environmental Quality</u> of violating the <u>Clean Air Act</u> through an <u>industry-friendly permitting</u> <u>process</u> that fails to adequately enforce federal emissions standards.

Perry argued that a federal intervention is unwarranted, due primarily to Texas' marked improvements in air quality and the potential negative impact federal regulation could have on job growth.



"The air Texans breathe today is cleaner than it was in 2000," Perry said in his letter. "As Texas added much of the nation's job, population and economic growth, the Texas clean air program achieved a 22 percent reduction in ozone and a 46 percent decrease in NOX emissions, compared to a 27 percent reduction in national NOX levels between 2000 and 2008."

However, Neil Carman of the <u>Lone Star Chapter of the Sierra Club</u>, suggested that those numbers might not tell the whole story, <u>telling the *Houston Chronicle*</u>, "the problem with the comparison of Texas to the rest of the nation is Texas has so much pollution. You can have a significant reduction and still be the most polluted."

The Sierra Club is now threatening to file suit against the EPA for not stepping in and enforcing the Clean Air Act more expeditiously in Texas.

Meanwhile, the TCEQ, headed by <u>three Perry appointees</u>, has been <u>battered</u> and <u>bruised</u> in the media of late, and is currently <u>under review</u> by the <u>Sunset Advisory Commission</u>, with public testimony on the agency slated for December 2010.



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Greenwire

4. AIR POLLUTION: EPA tightens standard for SO2 spikes (06/03/2010)

Robin Bravender, E&E reporter

U.S. EPA strengthened air standards today aimed at protecting human health from short-term spikes in sulfur dioxide.

The <u>final rule</u> sets an SO2 standard of 75 parts per billion (ppb) averaged over an hour. EPA proposed last year to set the one-hour SO2 limit between 50 ppb and 100 ppb (<u>Greenwire</u>, Nov. 17, 2009).

EPA said the one-hour standard is needed to protect against short-term exposure, which can aggravate asthma and cause other respiratory problems. The current limits are 140 ppb measured over 24 hours and 30 ppb measured over a year.

"Moving to a one-hour standard and monitoring in the areas with the highest SO2 levels is the most efficient and effective way to protect against sulfur dioxide pollution in the air we breathe," EPA Administrator Lisa Jackson said in a statement.

EPA's final rule marks the first ever one-hour standard and the first update to the health-based SO2 standards since they were first set in 1971.

The agency revoked its current daily and annual standards for SO2. The science indicates that short-term exposures are of the greatest concern and the existing standards would not offer additional health benefits, EPA said.

EPA said it has also revised SO2 monitoring requirements to ensure that monitors are located in areas where pollution affects populated areas.

Clean Air Watch President Frank O'Donnell gave EPA's new standard a "high passing grade -- a B plus or A minus."

"It's not quite as aggressive as we had hoped, but it certainly is a positive step in the right direction," he said.

Clean Air Watch and the American Lung Association had urged EPA to set a one-hour standard at 50 ppb and to retain the existing annual standard.

Industry groups, however, had cautioned EPA against setting tighter standards, saying new rules would impose substantial costs without notable health benefits.

"We are surprised that EPA revoked the daily and annual standards because these standards have been successful," said Howard Feldman, director of regulatory and scientific affairs at the American Petroleum Institute. He noted that annual SO2 levels dropped 71 percent between 1980 and 2008.

With the new limit, he said, "EPA is moving the standard below the level that's requisite to protect public health."

EPA estimates that implementing the standard will cost about \$1.5 billion by 2020 and that health benefits will range between \$13 billion and \$33 billion annually.

The Clean Air Act requires EPA set national limits for SO2 and other harmful pollutants. States with areas that don't meet the new standard will be required to slash emissions by requiring industries to install pollution controls or through other measures.

According to EPA, no areas are currently exceeding the nearly 40-year-old standards, but the agency expects that the tougher new standards will require some areas to curb their emissions.

About 60 counties -- mostly in the eastern United States -- currently exceed the new one-hour standard and EPA estimates that 24 counties will violate the standard by 2020. EPA plans to designate nonattainment areas by June 2012, EPA said.

The agency plans to address the secondary SO2 standard aimed at protecting public welfare and the environment as part of a separate review to be finalized in 2012.

Click here to read the final rule.

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Star-Telegram

If air is important, the choice for Texas governor is clear

Posted Thursday, Jun. 03, 2010

By MIKE NORMAN

mnorman@star-telegram.com

The sudden flare-up of hostilities between the EPA and state environmental regulators should make for a clearer choice in November's election for Texas governor.

If you're a refinery manager or a petrochemical plant owner, Republican Rick Perry is the candidate for you. Caricature of the rough-ridin' Texan that he has become, the nine-year governor has gone to battle against "Washington's command and control approach" and make it easier for you to poison the air.



Democrat Bill White -- while his campaign has been slow to seek any real leverage from it -- was an environmental crusader during his six years as Houston's mayor. He fought for stronger regulations to reduce toxic emissions from the massive refining and chemical plants in and near the city.

The difference couldn't be more clear.

The EPA said last week that it will take away the state's ability to issue operating permits for heavy industries because the process followed by the Texas Commission on Environmental Quality does not comply with the federal Clean Air Act.

The Washington agency delegated its permitting power to the state in 1992, but since then Texas has changed its plan more than 30 times with no formal federal approval or disapproval. The EPA said there had been "lingering disagreements with Texas because of potential inconsistencies with federal air permitting regulations."

The feds stepped up their complaints in 2006 under President George W. Bush. Perry blames an Obama administration "campaign to harm our economy and impose federal control over Texas." Apparently Barack Obama was able to exert extraordinary influence on the Bush administration well before there was an Obama administration.

Then a group calling itself the Business Coalition for Clean Air, along with the Texas Association of Business and the Texas Oil and Gas Association, sued the EPA, seeking relief from the regulatory purgatory that had sprung from years of negotiations between the EPA and TCEQ. The business folks wanted the feds to hurry up and get out of the way.

The EPA agreed to hurry things along. In September, the agency published a notice in the Federal Register citing 17 points of law under which it planned to formally reject TCEQ's permitting plan. It has continued negotiating with TCEQ, but the expedited schedule calls for the state to submit a plan to comply with the Clean Air Act by June 30.

So Perry's in a tizzy. It's all "a blatant example of obsession with red tape" and "yet another federal power grab." It's "on the verge of killing thousands of Texas jobs."

He cites ways in which Texas air quality has improved since 2000, but they all have to do with lower levels of ozone and its precursors.

There's more to air pollution than that, and White has seen it big time. Perry is right to say Texas refines more than 25 percent of the nation's fuel supply and manufactures roughly 60 percent of the chemicals used in the U.S.

But while White was mayor, Houston issued a report showing that Texas has almost 50 percent of the nation's carcinogen emissions related to petroleum refining. Texas refineries, the report said, emit more cancer-causing

benzene per barrel of oil produced than those in any other state.

Last year, White fought renewal of an operating permit for Houston Refining, which he said emits more benzene into the air than any other refinery in the nation. TCEQ had amended the permit 17 times without full public input. It did so again this time, albeit with a long list of new emission caps.

Who can guess what would have happened if White had not spoken up? I can.

Mike Norman is editorial director of the Star-Telegram/ Arlington and Northeast Tarrant County.

817-390-7830

Looking for comments?

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THE TEXAS TRIBUNE

The Pollution Wars

by Kate Galbraith
June 3, 2010



Print version sponsored by:

The battle between Texas pollution regulators and the Environmental Protection Agency grows more contentious and complex by the day. Gov. Rick Perry accused the EPA on Wednesday of "seek[ing] to destroy Texas's successful clean air program and threaten tens of thousands of good Texas jobs in the process." Environmentalists fired back, in their own news conference, threatening to sue the EPA if the agency doesn't make the state shape up.



The back-and-forth follows the EPA's announcement last week that it will strip the state of permitting authority for a huge refinery in East Corpus Christi. The <u>Texas Commission on Environmental Quality</u>, the EPA said, was doing a shoddy job — and the agency threatened to take more plants away from TCEQ jurisdiction unless it changes its permitting system.

So does all the hubbub mean that Texas' air is dangerous to breathe? Mostly no. But exactly how safe it is and exactly who gets the credit are open questions.

In general, even the EPA acknowledges, the air above Texas cities is getting better. "Progress has been made over the years," says Dave Bary, a spokesman for the <u>EPA's Region 6</u>, the five-state area that includes Texas. Only Dallas-Fort Worth, Houston-Galveston and Beaumont-Port Arthur are "non-attainment" areas for ozone, which means that they do not meet federal standards developed under the Clean Air Act. The EPA forces improvements in city air quality by threatening to withhold federal transportation money, but it has never carried out this threat.

The governor's office trumpets the improvements. "The air Texans breathe today is significantly cleaner than it was in 2000," it said in a news release Wednesday. Between 2000 and 2008, the release said, Texans have cut ozone by 22 percent and nitrogen oxide by 27 percent — more than the national average.

The Texas Tribune Page 2 of 3



Things aren't quite so simple, environmentalists say. First, they argue, credit for improvement belongs to the EPA, not Texas. "It was the feds who came in and said, we're going to cut off transportation funding" unless things improve, says Tom "Smitty" Smith, the state director of the environmental and consumer advocacy group Public Citizen. Federal requirements for cleaner cars and trucks have also been crucial.

Second, environmentalists say that the EPA could still be doing more to force improvements in Texas. On Wednesday, the Sierra Club and Earthjustice sent out a notice of intent to sue the EPA unless it enforced ozone standards in Texas more strictly. Enforcement has been slowed, they said, by footdragging by the Perry governor's office — as well as lax regulation during the eight years that George W. Bush was in the White House. The EPA plans to issue new ozone standards by the end of August, and when it does, more areas of the state — including Austin, San Antonio and northeast Texas — will be designated "non-attainment," according to Neil Carman, the clean air program director for the Sierra Club's Texas chapter.

Los Angeles, another badly polluted city, has improved faster than Texas cities, says Smith of Public Citizen. In addition, according to Bary of the EPA, only one non-Texas city in his five-state region currently fails to meet EPA standards: Baton Rouge.

In addition to broad battles over urban air, environmentalists say problems persist with localized pollution hotspots. Texas has the biggest industrial base in the country, and concerns center on the land and water near big plants such as refineries, chemical factories and cement kilns.

It is on these individual plants that the original battle — the one set off last week by the Corpus Christi refinery announcement — hinges. The TCEQ issues vast numbers of permits every year, and only 120 are flexible permits, the commission says. But the flexible permits are granted to some of the biggest plants, including the Corpus Christi refinery. Environmentalists say these "flexible" permitting arrangements for big plants are an outrage, and the EPA seems to agree.

So <u>what are flexible permits</u>? In essence, they put a cap on the overall emissions of a facility. The plant must meet the cap but can choose the most expeditious manner. Texas has had flexible permitting in

The Texas Tribune Page 3 of 3

place since the mid-1990s (environmentalists have been fighting the system ever since). The EPA's permitting procedures are more precise, specifying limits for the units within each facility.

The flexible permits create three problems, says Ilan Levin, the Texas program director for the Environmental Integrity Project, a nonprofit that advocates for better enforcement of environmental laws. First, TCEQ sets the overall emissions cap too high — allowing higher total pollution levels than what EPA-recommended caps on individual units within the facility would permit. "Those caps don't really do anything; they don't mean anything," Levin says. Second, they may result in pollutants that are too concentrated in one area of the plant — harming a school, waterway or neighborhood nearby. Third, the flexible permitting scheme means that emissions from units within the plant are not monitored and reported properly.

"There's no other state out there that has anything like Texas's flexible permit program," Levin says. "These flex permits do nothing. They're worthless."

The TCEQ, not surprisingly, "strongly disagrees that Texas air permits violate the Clean Air Act," as the agency's chairman, Bryan Shaw, said in a <u>statement</u> last week. Shaw also said that the environmentalists' criticism of the flexible permitting scheme are "all incorrect." To ensure no particular unit of the plant has dangerous emissions, the TCEQ does "worst-case modeling," he said. And plants must also provide emissions reports from individual units within the plant "upon request."

More broadly, Perry and industry representatives fiercely argue that revoking the flexible permitting scheme will harm the big plants by depriving them of, well, flexibility. In other words, the more rigid permitting scheme would be cumbersome and expensive. The EPA is far too obsessed with process and not enough with results, TCEQ says.

Bary emphasizes that the Corpus Christi refinery issue — and the possibility of the EPA taking over permitting for more plants — should be considered separately from the larger ozone issues facing Texas cities. Carman, for his part, offers an analogy: Decades ago, cars spewed filth into the atmosphere; now they are fairly clean. Why can't industrial plants — some of them built decades ago — also clean up at a similar rate?

"I have been waiting for 15 years for this to hit the fan," Carman says. "It's a huge mess." © 2010 The Texas Tribune



Rep. Michael Burgess retracts call for state investigation into TCEO

12:00 AM CDT on Thursday, June 3, 2010

By PEGGY HEINKEL-WOLFE / Denton Record-Chronicle pheinkel-wolfe @dentonrc.com

Five days after calling for an investigation by the Texas attorney general, U.S. Rep. Michael Burgess said Wednesday that such an investigation could duplicate efforts of the current sunset review of the Texas Commission on Environmental Quality.

"I have determined that an investigation by the Texas attorney general's office might not be the best course of action," Burgess said Wednesday in a prepared statement.

Unchanged are his concerns about TCEQ's credibility, which has suffered since an internal auditor found that agency officials withheld findings about air quality studies in <u>Fort Worth</u>, according to a statement released by Burgess' staff Wednesday afternoon.

Burgess said the larger issue was that "officials waited weeks after finding out this data was suspect to come forward and correct their earlier statements."

<u>Democrat</u> Neil Durrance, Burgess' opponent in the District 26 race, said the problems at the agency are largely political and cannot be solved by another political body, such as the sunset commission.

"Republican appointees are not going to change that," Durrance said. "Fundamental change won't come with the current political makeup of that department."

The lieutenant governor and speaker of the House appointed 12 people to the Texas Sunset Advisory Commission, an independent state agency. Last year, the Legislature moved up the TCEQ's sunset review by two years.

Durrance reiterated his criticism that Burgess should be dealing with the <u>Environmental Protection Agency</u>.

Burgess defended his record in the statement. He said he has been monitoring urban drilling issues since he was elected in 2003.

The EPA took back a portion of the federal air permitting program delegated to TCEQ last month, an action criticized by Burgess, Gov. Rick Perry and many local officials.



President George W.

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- Click the "Delete" button under "Browsing history" on the General tab.
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- Make sure "InPrivate Filtering data" is checked.
 Click the "Delete" button.
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Wayne Slater: Between the Lines
The DMN senior political writer covers Texas government and elections.

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Jun 4, 7:55 AM EDT

Graham: Spill panel would have subpoena power

By WILL LESTER Associated Press Writer

WASHINGTON (AP) -- A leader of the presidential commission investigating the Gulf oil spill said Thursday he has been told his panel will have subpoena power to get a full accounting of the disaster.

Former Fla. Sen. Bob Graham, a cochairman of the commission, said he's not sure if that subpoena power will be necessary for the panel to do its work.

Graham told the CBS Evening News, that "the whole industry was largely unprepared" for such an oil spill and said a great deal of development of deep-sea drilling technology was not accompanied by a similar investment in the safety of oil rigs and the ability to respond to an accident.

Former Environmental Protection Agency chief William Reilly, the other co-chairman, said he's surprised he hasn't seen more progress in the technology available to handle a spill more than 20 years after the Exxon Valdez ran aground and spilled its

cargo. Reilly was in charge at EPA at the time of the Exxon Valdez spill off the Alaska coastline in 1989.

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"I'm appalled that we're in that stage of primitive response capability," Reilly said.

BP sliced off a pipe with giant shears Thursday in the latest bid to curtail the worst oil spill in U.S. history, but the cut was jagged and placing a cap over the gusher will now be more challenging.

Several earlier efforts to stem the flow have failed.

Reilly said it's time to reassess the laws passed after Exxon Valdez intended to hold companies accountable for a spill. The update is needed in case a company



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is not willing to cover cleanup expenses, he said, adding that Exxon was willing to pay its expenses and BP has expressed a willingness to pay.

So far, anywhere between 21 million and 46 million gallons of oil have spewed into the Gulf, according to government estimates.

The U.S. Fish and Wildlife Service reported 522 dead birds - at least 38 of them oiled - along the Gulf coast states,



and more than 80 oiled birds have been rescued. It's not clear exactly how many of the deaths can be attributed to the spill.

Oil drifted six miles from the Florida Panhandle's popular sugar-white beaches, and crews on the mainland were doing everything possible to limit the damage.

Reilly said the spill has been catastrophic for people's lives and their livelihoods. And he said he has concerns about what effects chemical dispersants will have on the Gulf and its wildlife.

"There's nothing worse than a slow-moving catastrophe," Reilly said, "and that's what we've got."

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Oil spill forces Obama to postpone foreign travel

8:27am EDT

By Ross Colvin

WASHINGTON (Reuters) - With the worst oil spill in U.S. history presenting a key test of his presidency, President Barack Obama postponed a trip scheduled for this month to Australia and Indonesia, the White House said early on Friday.

It was the second time in a little more than two months that Obama canceled a trip to the two countries. He previously was due to have gone in March but postponed to stay at home to give a final push to his healthcare overhaul plan in Congress.

White House spokesman Robert Gibbs told Reuters in an email that Obama postponed the trip again in order to deal with the Gulf of Mexico oil spill and other important issues.

The president is due to travel to the Louisiana Gulf coast to visit affected communities on Friday, his third trip there since an April 20 offshore oil rig explosion that killed 11 workers and triggered the huge spill.



After a series of failed attempts to plug the gushing mile-deep BP-owned oil well, the Obama administration has come under growing pressure to take a more direct role in the oil spill crisis. Opinion polls show many Americans are unhappy with Obama's handling of the disaster so far.

In an already difficult congressional election year for Obama's fellow Democrats, a foreign trip in the midst of what the president himself has called an unprecedented environmental catastrophe would have been hard to sell to Americans frustrated and angered by the six-week-old crisis.

The White House said in a statement that Obama had spoken on Thursday night to Australian Prime Minister Kevin Rudd and Indonesian President Susilo Bambang Yudhoyono to inform them of his decision. The trip had been scheduled for June 13-19.

"President Obama underscored his commitment to our close alliance with Australia and our deepening partnership with Indonesia. He plans to hold full bilateral meetings with Prime Minister Rudd and President Yudhoyono on the margins of the G-20 meeting in Canada," the White House said in a statement.

RARE CANCELLATION

The rare double cancellation of a presidential trip abroad underscored how Obama's challenges at home have begun complicating his activity overseas.

The trip would have been his first major foreign travel this year and was aimed at deepening U.S. ties in the Asia-Pacific region in the face of rising Chinese influence.

Indonesia is the world's most populous Muslim nation and where he spent four years as a child. Australia is a stalwart U.S. friend in the Pacific and key military ally in Afghanistan.

There was no immediate response from the two countries to the White House announcement.

Cleaning up the biggest oil spill in U.S. history and capping the well has become Obama's top priority, complicating his efforts to keep the focus on job creation in an economy in which unemployment is still close to 10 percent nationwide.

The White House announcement on the trip came shortly after BP managed to lower a containment cap onto its ruptured deep-sea wellhead to siphon off some of the billowing oil. U.S. authorities called it a positive development.

Obama said in an interview with CNN's Larry King broadcast on Thursday night that he was furious at the situation in the Gulf of Mexico and again vowed to hold BP accountable.

"It's imperiling not just a handful of people," he said of the oil spill. "This is imperiling an entire way of life and an entire region for potentially years."

From the beginning of the crisis, the Obama administration has sought to show that it is control, but it has struggled to shake off a public perception that it has been too reliant on BP for solutions and too slow to bring the full force of the federal government to bear on the crisis.

Obama said on Thursday that his administration had mobilized scientists, hundreds of ships and thousands of military personnel to deal with the disaster.

Analysts say Obama's fellow Democrats risk being punished in November congressional elections that are already expected to erode their majorities in both the Senate and the House of Representatives.

(Reporting by Ross Colvin; Editing by Will Dunham)

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Jun 4, 8:21 AM EDT

'79 Gulf oil spill leaves sobering lessons for BP

By MARK STEVENSON and MOLLY O'TOOLE **Associated Press Writers**

MEXICO CITY (AP) -- It started with a burst of gas through the drilling well. Workers scrambled to close the safety valves but within moments, the platform caught fire and collapsed. Tens of millions of gallons of oil gushed into the Gulf of Mexico. Numerous attempts to stanch the spill

failed.

Three decades later, the 1979 Ixtoc disaster remains the Gulf's - and the world's - worst oil spill.

The parallels between that disaster and the current BP oil spill offer sobering lessons. There were no quick fixes for Ixtoc: It took 10 months to stop the leak, with Mexico's state-owned oil company, Pemex, trying methods similar to those that BP has attempted at its Deepwater Horizon rig.

Pemex managed to slow the spill a little using several methods including forcing metal spheres into the well. But it couldn't

stop the leak until two relief wells were drilled - and even that didn't work right away: the oil kept gushing for another three months after the first well was completed.

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million gallons of oil. Massive slicks reached the northern Mexican Gulf coast and Texas, where it would eventually coat almost 170 miles (275 kilometers) of U.S. beaches.

In the end, Ixtoc spewed a record 140

By comparison, Deepwater Horizon has spilled an estimated 21 million to 45 million gallons of oil. But if the Pemex disaster serves as a precedent, the BP spill could continue even after the two relief wells are expected to be finished in August.

By then, it could surpass Ixtoc as the worst

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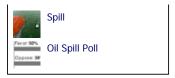
A look at the Gulf oil spill's impact on the regional environment.

Tracking the Gulf Oil

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oil spill in history, said Tad Patzek, chair of the Petroleum and Geosystems Engineering Department at the University of Texas-Austin



"We are looking at an August time frame for stopping it," Patzek said. "If for one

reason or another that stopping is left imperfect or it takes another drill or what have you, we're looking at another four months, at that time this spill would look like the Ixtoc spill."

The BP spill, at a depth of nearly 5,000 feet, is proving more complicated to choke off than Ixtoc, a shallow-water rig about 150 feet deep. The Ixtoc well could be accessed directly, while the Deepwater spill must be combated remotely, using robots to wield clamps, saws and other tools while monitoring the action by video feed.

"They could fight Ixtoc from and at the surface," said Robert Bea, a professor of engineering at University of California at Berkeley who has studied offshore drilling for 55 years and worked for Pemex for a number of years. For Deepwater, "they must fight from the sea floor remotely, from the sea surface miles above."

Most recently, BP tried to stop the gusher by pumping in heavy drilling mud and cement. The tactic, called a "top kill," had never been tried 5,000 feet underwater. It didn't work.

The good news is the Ixtoc experience suggests the Gulf of Mexico has natural properties that help it cope with massive oil spills, scientists say. Warm waters and sunlight helped break down the oil faster than many expected. Weathering reduced much of the oil into tar balls by the time it reached Texas.

Two decades after the Ixtoc disaster, marine biologist Wes Tunnell sank his diving knife into an area where he had spotted a tar patch just after the spill. The blade came out black and tarry but the hardened surface of the patch was under sand, shells and algae that had completely covered it.

"No one else would know that it was anything other than a rock ledge," said Tunnell of Harte Research Institute for Gulf of Mexico Studies at Texas A&M University. "I think that the Gulf of Mexico is hugely resilient, or at least it was 30 years ago. We've insulted it a lot since then in various ways."

The Gulf has also long dealt with oil that naturally seeps from the seafloor. Some experts estimate that tens of millions of gallons seep into the Gulf from natural up-wellings each year, fostering large populations of oil-eating bacteria and microorganisms.

However, it is unclear how much any of that will help this time around.

The Deepwater spill is closer to sensitive coastlines than Ixtoc was. And it is affecting Louisiana marshlands that are more sensitive than the more sparsely populated Texan and Mexican coastlines Ixtoc reached.

"Obviously there were some helping factors - nature, climate, current - that in the end helped people (with Ixtoc) so that's good news," said Patzek. "However ... the Ixtoc well seemed to have been a little farther out from sensitive places."

The depth of the BP spill could also complicate the Gulf's ability to cope.

The oil-eating bacterial populations are located mainly on the surface or near shore, where the Ixtoc oil appeared. BP has tried to break up the oil

deep underwater, pumping chemical dispersants directly into the damaged well.

That could be a mistake, said Larry McKinney, the director of the Harte Research Institute. While chemically dispersing the oil keeps the spill less visible and ugly than Ixtoc, it prevents the oil from floating up to the surface where wind, waves, bacteria and sunlight could help break it up, he said. And some environmentalists question the safety of the dispersant itself.

"I know, out of sight, out of mind," McKinney said. "But also, out of sight is what can kill you, like a cancer, and that may be the bigger problem."

Pemex estimates that about half the Ixtoc oil may have burned away in the rig fire that lasted months. About a quarter dispersed and the rest was either recovered or evaporated.

Ixtoc threatened coral, sea turtles, shrimp and commercially valuable fish. Some species have rebounded while others have drastically declined.

Jack Woody, a retired officer with the U.S. Fish and Wildlife Service, was in northern Mexico a month after the Ixtoc spill, leading the U.S.-Mexico effort to save the Kemp's ridley sea turtles.

He watched as the oil slick closed in and tar balls began washing up at the Rancho Nuevo beach, the only significant nesting ground for the female turtles, which had dwindled to a population of about 300. Hatchlings were just emerging, and helicopters desperately tried to ferry the baby turtles to open ocean beyond the slick.

"I thought we were too late," Woody said.

The turtle population continued to dwindle until 1988 but has since rebounded to up to 12,000, due in part to programs to relocate hatchlings to safer beaches in Texas and cut down on turtle deaths in shrimp nets.

"I was wrong. This is the one time I like to be wrong," Woody said.

Scientists say it is difficult to know how much long-term damage Ixtoc caused because it is hard to separate the effects of the spill from overfishing, sediment, runoff and other pollution.

Tunnell said his students saw coral islands ringed by oil "like black doughnuts" after Ixtoc. Many of those islands have since lost most of their coral cover but Tunnell could not say whether the spill was to blame. Other causes, he said, could include overfishing of coral-friendly fish, coral collecting and sewage.

Perhaps the most tragic thing about Ixtoc is that it is still a mystery.

The tar mats on Texas beaches largely disappeared some five years after the Ixtoc spill, probably broken up and swept seaward. People stopped paying attention once the beaches looked better and funding for research largely dried up.

"Unfortunately, from a science standpoint, not much was followed up on, to learn from," says McKinney. "That was a mistake that was made that hopefully won't be repeated."

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Jun 4, 8:58 AM EDT

Waves of oil tar mount on Fla. Panhandle beaches

By MELISSA NELSON **Associated Press Writers**

GULF ISLANDS NATIONAL SEASHORE, Fla. (AP) -- Waves of gooey tar blobs were washing ashore on the white sand of the Florida Panhandle and nearby Alabama beaches Friday as a slick from the BP spill moved closer to shore.

Spotters who had been seeing a few tar balls in recent days found a substantially larger number starting before dawn on the beaches of the Gulf Islands National Seashore and nearby areas, a county emergency official said. The park is a long string of connected barrier islands near Pensacola.



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Keith Wilkins from Escambia County emergency management said tar patties were are pretty thick on parts of the beach, as much as one every foot.

Small gobs of reddish brown oil washed up in the surf for the first time in nearby Gulf Shores, Ala., on Friday morning and a petroleum smell tinged the air.

Officials have said it is inevitable oil will eventually wash up on Panhandle

beaches after a slick from the Deepwater Horizon spill was spotted about 9 miles offshore this week. The edge of the spill had moved to four miles off the coast Thursday, Gov. Charlie Crist said after a flyover.

Crist said the news of Friday's growth in tar balls was "very disturbing."

"Obviously, it's not the kind of news that we want to hear," Crist said on CNN's "American Morning."

In Gulf Shores, Ala., the goo was isolated to a few areas, but a faint smell of oil



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hung in the breeze.

"I really smelled it down there," said Jennifer Powell, combing the beach for shells with her husband. "It was like it was burning my nose a little bit."

The Powells, from Russellville, Ky., had planned to return to the beach later this summer, but now they're not sure they want to come back.



"You won't be able to get in the water, and it's going to get all over you and all," she said. "I don't think I want my kids in that."

Cleanup crews were nowhere to be seen at the public beach.

Associated Press writer Jay Reeves contributed from Gulf Shores, Ala.

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Jun 4, 9:02 AM EDT

BP: cap gets some Gulf oil, crude still spews

By GREG BLUESTEIN Associated Press Writer

GRAND ISLE, La. (AP) -- BP reported some oil was flowing up a pipe Friday from a cap it wrestled onto its broken Gulf of Mexico well but crude still spewed and it was unclear how much could be captured in the latest bid to tame the nation's worst oil spill.

President Barack Obama was set to visit the Louisiana coast Friday, his second trip in a week and the third since the disaster unfolded following an April 20 oil rig explosion.

Meanwhile, waves of gooey tar blobs were washing ashore on the white sand of the Florida Panhandle and nearby Alabama beaches Friday as a slick from the spill moved closer to shore.

Spotters who had been seeing a few tar balls in recent days found a substantially larger number starting before dawn on the beaches of the Gulf Islands National Seashore and nearby areas, a county emergency official said. The park is a long string of connected barrier islands near Pensacola.

The government's point man for the crisis, Coast Guard Adm. Thad Allen, said the cap's installation atop a severed pipe late Thursday was a positive development but it was too early to tell if will work. The funnel-like lid is designed to channel oil for pumping to a surface tanker.

"Even if successful, this is only a temporary and partial fix and we must continue our aggressive response operations at the source, on the surface and along the Gulf's precious coastline," Allen said in a statement.



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O Raw Video: Dozens of Heavily Oiled Birds Off La. BP's Chief Operating Officer Doug Suttles said it will be later in the day before they know how much is being captured.

"There is flow coming up the pipe. Just now, I don't know the exact rate," Suttles said on NBC's "Today" show.

Robots a mile beneath the Gulf positioned the lid over the main pipe on the leaking well Thursday night. Live video footage, though, showed that the oil seemed unimpeded.



To put the cap in place, BP had to slice off the pipe with giant shears after a diamond-edged saw became stuck.

Suttles said some of the oil still pouring out came from vents deliberately placed to keep icelike crystals from forming that could block the funnel. BP will try to close those four vents in succession and reduce the spill, he said.

If the idea fails - like every other attempt to control the six-week-old leak - the best chance is probably a relief well, which is at least two months away. The well has spit out between 21 million and 46 million gallons of oil since a rig exploded on April 20 about 50 miles from the Louisiana coast, killing 11 workers. BP was leasing the rig and is responsible to fix and clean up the spill.

In oil-soaked Grand Isle, Jason French might as well have painted a bullseye on his back. His mission was to be BP's representative at a meeting for 50 or so residents who had gathered at a church to vent.

"We are all angry and frustrated," he said. "Feel free tonight to let me see that anger. Direct it at me, direct it at BP, but I want to assure you, the folks in this community, that we are working hard to remedy the situation."

Residents weren't buying it.

"Sorry doesn't pay the bills," said Susan Felio Price, a longtime resident.

"Through the negligence of BP we now find ourselves trying to roller-skate up a mountain," she said. "We're growing really weary. We're tired. We're sick and tired of being sick and tired. Someone's got to help us get to the top of that mountain."

President Barack Obama shared some of that anger ahead of his Gulf visit. He told CNN's Larry King that he was frustrated and used his strongest language in assailing BP.

"I am furious at this entire situation because this is an example where somebody didn't think through the consequences of their actions," Obama said. "This is imperiling an entire way of life and an entire region for potentially years."

Meanwhile, newly disclosed internal Coast Guard documents from the day after the explosion aboard the Deepwater Horizon rig indicated that U.S. officials were warning of a leak of 336,000 gallons per day of crude from the well in the event of a complete blowout.

The volume turned out to be much closer to that figure than the 42,000 gallons per day that BP first estimated. Weeks later that was revised to 210,000 gallons. Now, an estimated 500,000 to 1 million gallons of crude is believed to be leaking daily.

The Center for Public Integrity, which initially reported the Coast Guard logs, said it obtained them from Rep. Darrell Issa, R-Calif., ranking Republican on the House Oversight and Government Reform Committee.

The logs also showed early in the disaster that remote underwater robots were unable to activate the rig's blowout preventer, which was supposed to shut off the flow from the well in the event of such a catastrophic failure.

The damage to the environment was chilling on East Grand Terre Island along the Louisiana coast, where workers found birds coated in thick, black goo. Images shot by an Associated Press photographer show Brown pelicans drenched in thick oil, struggling and flailing in the surf.

BP CEO Tony Hayward promised that the company would clean up every drop of oil and "restore the shoreline to its original state."

"BP will be here for a very long time. We realize this is just the beginning," he said.

Those on Grand Isle seemed less than convinced by BP's assurances.

"We want you to feel what we feel," said Leoda Bladsacker, a member of the town's council, as her voice trembled. "We're not going to be OK for a long, long time."

Associated Press writers Eileen Sullivan in Washington and Paul J. Weber in Houston contributed to this report.

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'Furious' Obama heading to Gulf for spill update

By NANCY BENAC (AP) - 4 hours ago

WASHINGTON — Determined to project both command and compassion, President Barack Obama is returning to the Louisiana coast for a fresh reality check on work to stanch the oil spewing into the Gulf of Mexico and the spiraling effects of the nation's worst environmental disaster. The president underscored his focus on the Gulf by abruptly canceling plans for a trip to Indonesia and Australia later this month.

Obama, whose visit to Louisiana on Friday will be his second to the Gulf in eight days, spoke for many in declaring himself furious at a situation that "is imperiling an entire way of life and an entire region for potentially years."

White House spokesman Robert Gibbs announced late Thursday that Obama was scrapping his foreign trip — which already had been postponed — "to deal with important issues, one of which is the oil spill."

Speculation the president would need to rethink the trip, set to begin June 13, mounted as the administration came under increasing scrutiny for its handling of the Gulf spill. The trip was first put off while Obama was making the final push for his massive health-care overhaul.

Prime Minister Kevin Rudd of Australia and the president of Indonesia, Susilo Bambang Yudhoyono, both said through spokesmen they were disappointed by the turn of events, but understood it was necessary for Obama to stay home and deal with the crisis.

While in Louisiana, Obama planned to meet with Coast Guard Adm. Thad Allen, who is overseeing the response effort, and with state and local officials, then visit Gulf Coast communities where lives have been upended by the spill.

Gibbs said the president wanted to talk firsthand with business leaders and individuals suffering the economic consequences of the disaster.

In an interview Thursday with CNN's Larry King, Obama expressed dissatisfaction with the pace of British oil company BP's reaction to the spill, saying, "What I haven't seen as much as I'd like is the kind of rapid response."

His administration on Thursday handed the company a \$69 million bill for recovery costs to date — a figure sure to grow in the weeks and months ahead.

The president visited the Gulf region twice in May, and Friday's visit surely will not be his last, as the president tries to show he's staying on top of the situation, without getting in the way.

"You never want to take resources away from the response and recovery efforts, so we're certainly mindful of that," Gibbs said. "At the same time ... I think he'll go as often as he thinks that is productive in aiding those response efforts."

Somewhere between 21 million and 46 million gallons of crude oil have been disgorged into the Gulf since the Deepwater Horizon oil rig exploded on April 20, according to government estimates. Eleven workers were killed in the blast.

Obama told King he was furious that "someone didn't think through the consequences of their actions," and he tried to deflect criticism that he hasn't shown enough emotion about the epic dimensions of the problem.

"I would love to just spend a lot of my time venting and yelling at people," the president said, "but that's not the job I was hired to do. My job is to solve this problem."

The president may well get questions about the administration's mixed signals on future drilling in the Gulf. The government's Minerals Management Service stopped issuing permits for new oil and gas drilling in the Gulf, but an administration official denied that a formal freeze had been decreed on drilling in shallow water.

Obama said he was "supportive of offshore drilling if it can be done safely and it doesn't result in these kinds of horrible environmental disasters."

Associated Press writers Ben Feller and Erica Werner contributed to this report.

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Photo 1 of 3



Signs at a tatoo shop in Larose, La., provide commentary on the Deepwater Horizon oil spill Thursday, June 3, 2010. (AP Photo/Charlie Riedel)

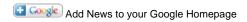






Map





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Update: Containment cap in place at spill site; hard to tell how much oil diverted as it continues flowing

By Press-Register staff

June 04, 2010, 6:23AM



the Deepwater Horizon oil well in the Gulf of Mexico, Thursday, June 3, 2010.

The Coast Guard admiral overseeing the Deepwater Horizon spill response issued a statement about the placement of the containment well being in place over the Deepwater Horizon riser pipe at the bottom of the Gulf of Mexico, but live video images this morning continued to show spewing oil and it remained unclear how well the latest tactic to lessen the spill had worked.

"The placement of the containment cap is another positive development in BP's most recent attempt to contain the leak, however, it will be some time before we can confirm that this method will work and to what extent it will mitigate the release of oil into the environment," Coast Guard Admiral Thad Allen said in the statement.

"Even if successful, this is only a temporary and partial fix and we must continue our aggressive response operations at the source, on the surface and along the Gulf's precious coastline," he added.

BP's Chief Operating Officer Doug Suttles, appearing on NBC's "Today" show this morning, said it will be later in the day before they know how much is being captured.

"There is flow coming up the pipe. Just now, I don't know the exact rate," Suttles said

Suttles said some of the oil still pouring out came from vents deliberately placed to keep icelike crystals from forming that could block the funnel. BP will try to close those four vents in succession and reduce the spill, he said.

BP first used large shears to cut off a riser pipe at the site of the spill, then placed a containment cap over the pipe Thursday night into this morning. The aim of the cap is not to stop the flow of oil, but to enable connection of pipes that could redirect the flow of oil to the Transocean drillship Discoverer Enterprise at the ocean's surface.

The cut in the pipe was less smooth than BP PLC had hoped after the shears had to be used because a saw blade became stuck trying to cut the pipe cap while working from a remotely controlled vehicle under tremendous undersea pressures.

The cap has a rubber seal intended to help with an imprecise cut and has valves to inject methanol directly into the production stream. The methanol and hot water can be circulated between the pipe carrying the flow and the riser connecting it to the Transocean drillship Discoverer Enterprise.

Both features are designed to limit hydrate formation.

President Barack Obama, who is headed to Louisiana for a visit today, expressed anger ahead of his Gulf visit. He told CNN's Larry King that he was frustrated and used his strongest language in assailing BP.

"I am furious at this entire situation because this is an example where somebody didn't think through the consequences of their actions," Obama said. "This is imperiling an entire way of life and an entire region for potentially years."

Meanwhile, newly disclosed internal Coast Guard documents from the day after the explosion aboard the Deepwater Horizon rig indicated that U.S. officials were warning of a leak of 336,000 gallons per day of crude from the well in the event of a complete blowout.

The volume turned out to be much closer to that figure than the 42,000 gallons per day that BP first estimated. Weeks later that was revised to 210,000 gallons. Now, an estimated 500,000 to 1 million gallons of crude is believed to be leaking daily.

The Center for Public Integrity, which initially reported the Coast Guard logs, said it obtained them from Rep. Darrell Issa, R-Calif., ranking Republican on the House Oversight and Government Reform Committee.

The logs also showed early in the disaster that remote underwater robots were unable to activate the rig's blowout preventer, which was supposed to shut off the flow from the well in the event of such a catastrophic failure.

The new cap is expected to catch more oil than the roughly 2000 barrels per day collected by the riser insertion tube that BP used in the past, Allen said Tuesday.

See video below for explanation from BP about how cap is supposed to work.

(Story updated 7 a.m. to reflect comments from BP executive appearing on the "Today" show. The Associated Press contributed to this report.)



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Laura Bush on Gulf oil spill: Barack shouldn't be blamed

By The Associated Press

June 04, 2010, 7:39AM



WASHINGTON -- Former first lady Laura Bush says she doesn't think President Barack Obama should be faulted for the continuing oil spill crisis in the Gulf Coast area.

Interviewed on "Good Morning America," Bush said: "I think they're doing everything they can." She said it cannot be one person's responsibility to solve the problem.

In her appearance Friday, Bush was asked about comparisons with the federal government's slow response to Hurricane Katrina under the leadership of her husband, President George W. Bush. She declined to answer directly, but did say "there's always a lot of finger-pointing in something like this."

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full size

(AP File Photo)

Former first lady Laura Bush: Says she doesn't think President Barack Obama should be faulted for the continuing oil spill crisis in the Gulf Coast area.



Gate system intended to block oil at mouth of Mobile Bay abandoned

By Dan Murtaugh

June 04, 2010, 6:40AM



(AP Photo/Jay Reeves)

A pelican lands on a piling with a natural gas rig in the background in Mobile Bay in Mobile, Ala., on Monday, May 3, 2010.

MOBILE, Ala. -- The gated boom system that officials devised to block oil from Mobile Bay while allowing boat traffic to continue in and out was a "total failure" and has been abandoned, said Jimmy Lyons, chief executive officer of the Alabama State Port Authority.

Instead, officials with the Deepwater Horizon response team said they will deal with oil at the mouth of the bay with skimming boats.

The gate project was approved by Gov. Bob Riley on May 5. It called for an ad-hoc barrier across the mouth of the bay, featuring boom strung between Dauphin Island and Fort Morgan and a pair of gates that would allow ships to traverse the channel to the Port of Mobile.

But the water current flowing from the bay to the Gulf of Mexico thwarted the project, according to Coast Guard Lt. Cmdr. Natalie Murphy.

The gate project was not part of the pre-existing contingency plan for Alabama, she said, but instead an on-the-fly idea. "We had folks research it, and they said, 'Let's give it a try,'" she said.

Workers tried to drive pilings into the floor of the bay to act as fenceposts, but had trouble getting the pilings to hold fast, she said.

They also attempted to use anchors to keep the booms in place, she said, but the current kept displacing and ripping up the booms.

"Booms were a hot commodity," she said, "and we didn't want to do any more damage than we had to."

The response team abandoned the gate plan May 25, she said.

Murphy said a fleet of boats is skimming oil off the surface of the Gulf.

Booms have also been set up to keep oil out of environmentally sensitive areas, like marshes and wetlands, she said.

"The more oil we can get offshore, the less it will be able to impact the beach and Mobile Bay," she said.

Despite the failure of the gate system, the Port of Mobile has remained open and is operating without delays, said Judy Adams, a spokeswoman with the Alabama State Port Authority.

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THE WALL STREET JOURNAL.

WSJ.com

JUNE 4, 2010, 12:38 PM IST

What the BP Gulf Oil Spill Means for India

BP's exploration disaster in the Gulf of Mexico, which has resulted in a moratorium on deepwater drilling in the region, may soon have repercussions for India's oil and gas sector, ranging from tougher regulatory rules to higher operating costs.

In April, BP's exploration rig off the U.S. coast caught fire, killing 11 people and causing a mile-deep oil spill that the oil giant has so far failed to plug.

The incident, which began with concerns of toxic drilling chemicals leaking into the sea and became a catastrophic oil spill, has brought the British oil major to its knees as compensation costs rise.

Already, Indian explorers are beginning to feel the effects.



NIACA

The oil slick from the sunken Deepwater Horizon drilling platform can be seen off the coast of Louisiana in the Gulf of Mexico.

In a media conference earlier this week R.S. Sharma, the chairman of India's largest explorer, Oil & Natural Gas Corp. Ltd., said the gulf accident will have a "huge negative impact on industry's offshore activities" and prove to be a "gamechanger."

Mr. Sharma said the company was closely monitoring operating procedures but did not elaborate. His concerns are justified.

According to ONGC's 2009 annual report, over 50% of its proved reserves on a geographical basis are offshore, though it is unclear how much of this is deepwater.

As most of the world's traditional onshore oil fields dry up, explorers are venturing further out and deeper down in the sea in the search for oil and gas. This is also true for ONGC. Its onshore reserves are depleting and it is looking to new discoveries for additional reserves, many of them offshore.

In May, Reliance Industries and its joint venture partner Hardy Oil & Gas, suspended drilling at a well in the D3 field in offshore Krishna Godavari, citing "unresolved mechanical issues associated with the blow out preventer of the Deepwater Expedition drilling rig."

"The operator has been unable to resolve the issue to its satisfaction and, mindful of safety and operational matters, has taken the decision to suspend the well," Hardy said in a statement.

Deepwater Expedition is owned by Transocean, which also owned the rig that blew up in the Gulf of Mexico.

ONGC's Mr. Sharma has said the company is satisfied with its current relationship with Transocean.

Reliance Industries, India's largest private sector exploration and production operator, has a portfolio spanning eight countries worldwide and a total acreage of about 425,000 square kilometers, 80% of which are in deep water.

Transocean and Reliance Industries did not immediately respond to requests for comment.

Evidently, much is at stake for India's largest explorers. So far, India's upstream regulator the Directorate General of Hydrocarbons and the oil ministry has been silent on whether safety norms or deepwater drilling regulations in India will be revised but analysts say whatever regulatory revisions the U.S. makes are likely to be mirrored here.

"There are already noises about tighter safety norms in the political corridors of U.S. and it's been a norm that as far as safety and environmental regulations are concerned, if U.S. adopts them, sooner or later, rest of the world follows," said analyst Saeed Jaffery of Mumbai-based Ambit Capital in a note earlier this week.

He said this could mean more stringent safety standards, increased equipment requirements and higher operating costs resulting in a margin squeeze for drillers in the short to medium term.

It won't be long before we see Indian regulators take a deeper interest in safety standards for deepwater exploration. Some analysts say a worst case scenario would be a regime as stringent as the one for nuclear power, which may delay the energy potential of deepwater resources for several decades.

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June 3, 2010, 7:57 p.m. EDT

Spill could mean dark times for Sunshine State

Bad timing: Oil oozes closer as Florida started seeing a rebound in visitors

By William Spain, MarketWatch

CHICAGO (MarketWatch) -- Already reeling from a real-estate crisis and deep economic slump, Florida faces yet another financial cataclysm if oil from the Gulf spill mars its famous shores, scaring away crucial tourist traffic and wreaking havoc on its fisheries.

Beaches are big business in the Sunshine State. At stake there alone are hundreds of thousands of jobs and perhaps billions of dollars in revenue, depending on when and where the oil from BP PLC's (NYSE:BP) runaway well makes landfall.



Is oil destined for East Coast?

New supercomputer simulations suggest it is "very likely" that ocean currents will carry oil from the Deepwater Horizon spill in the Gulf of Mexico around Florida and up along thousands of miles of the Eastern seaboard this summer, researchers say. WSJ's Lee Hotz joins the News Hub with more.

funded by a \$25 million grant from BP.

Although the beaches were still in the clear as of Thursday afternoon, widespread reports of vacation cancellations are already coming in. Also, the pace of new bookings in many areas has slowed, especially in the Panhandle, which looks likely to be the first -- and maybe the worst -- area affected.

Ocean tourism (as opposed to that offered by Orlando theme parks) and recreation are among Florida's main industries, contributing an estimated \$20 billion a year to the state's economy, data from the National Ocean Economics Program show. In 2008, 84.2 million visitors spent over \$65 billion in Florida, supporting the more than 1 million residents directly employed by the tourism industry, according to Visit Florida, the state's official tourism-marketing arm.

To stay ahead of the slick and reassure jittery travelers, Florida tourism officials are taking to the airwaves with an ad campaign --

"Even though there are no physical impacts to Florida's shores from the oil spill, the state's tourism industry, especially in the Panhandle, has already felt a very real economic impact," said Gov. Charlie Crist, in announcing the first phase of the campaign. "It is vital that travelers throughout the nation and the world know our beaches and waterways are clear and open for business."

That may not last long. Oil has been sighted 10 miles off the northwestern city of Pensacola, Fla., while more than a third of the Gulf of Mexico has been declared off-limits to fishing by the National Oceanographic and Atmospheric Administration -- a swath that includes waters off the Panhandle as well as Key West.

On Thursday, Crist sent a letter to Commerce Secretary Gary Locke requesting the determination of a "commercial fishery failure," citing "immediate and devastating impacts" from the spill. Such a finding could trigger an infusion of federal aid.

In the letter, Crist blasted news reports for fostering "the mistaken impression that the entire Gulf of Mexico has been tainted" by oil. "This misinformation has affected tourism and



Pensacola Beach, Fla.

seafood consumption in Florida and resulted in severe economic impacts throughout the state."

On the tourism front, early results, especially over the Memorial Day weekend, were relatively encouraging. But some of that could have been driven by people rushing to get in a last dip before the oil arrives. If pictures of soiled sands and dead wildlife like those coming out of Louisiana, Alabama and Mississippi start emanating from Florida, it could be disastrous.

"It is already ugly," said John Fareed, a partner at Fareed Zapala Koepke, an Orlando-based hospitality-industry consultancy. "When it hits, it will be real and will position itself in the psyche of consumers who

are getting ready to make vacation plans. It is going to have a huge impact in terms of future bookings and cancellations.

"Every indication from the people we work with is that bookings have slowed to a trickle. It is the absolute worst time of year to be dealing with these issues. There is absolutely no good spin you can put on this," he added.

Fears of lasting damage

Nor does Fareed see this as a short-term problem. "If oil really does start to wash ashore in big waves, people are going to put off coming to parts of this country for a long while."

The pain will be felt from mom-and-pop motels and restaurants to hotels and resorts operated by global lodging giants, including Marriott International Inc. (NYSE:MAR), Starwood Hotels and Resorts Worldwide Inc. (NYSE:HOT), Intercontinental Hotels Group PLC (NYSE:IHG) and Hyatt Hotels Corp. (NYSE:H) -- some of which have dozens of properties in the state.

The spill's timing adds to the pain, occurring right when Florida was beginning to see signs of a modest rebound in visitor levels. After declines in both 2008 and 2009, preliminary estimates from the state are that 22.7 million people arrived in the first quarter, a rise of 2.7% over the same period in 2009.

'When it hits, it will be real and will position itself in the psyche of consumers. ... It is going to have a huge impact in terms of future bookings and cancellations.'

John Fareed, Fareed Zapala Koepke "Right now, we really don't know what the scope of the economic impact will be to Florida from the Gulf disaster. It's one more of the spill's huge unanswered questions," said Alison Chase, ocean-policy analyst at the Natural Resources Defense Council.

"What we do know is that the fate of its fishing and its tourism and recreation industries -- worth billions -- hangs in the balance," she elaborated. "Only time will tell the full extent of the impact the oil disaster will have on Florida, and how lasting those impacts will be.

"There are two major variables that will dictate the outcome: when the gusher will finally be stopped, and where the wind and currents will take the oil," according to Chase.

For the time being, she noted that just the Panhandle is bracing for impact. But if the oil makes its way into the powerful Loop Current, it could quickly move to the Keys,

the Everglades and up the Atlantic seaboard, Chase said.

Or even further: A computer modeling of Gulf currents released last week by the National Center for Atmospheric Research shows the possibility that the spill could extend along thousands of miles of Atlantic Coast -- as far up as North Carolina -- by this summer. Watch News Hub video of current simulation.

According to the simulation, once the oil is caught in the fast-moving Loop Current, it is likely to reach Florida's Atlantic coast within weeks, then move north to Cape Hatteras, N.C., before turning east, though whether it will be a thin film on

the surface or mostly under water is unknown.

"I've had a lot of people ask me, 'Will the oil reach Florida?'" said NCAR scientist Synte Peacock. "Actually, our best knowledge says the scope of this environmental disaster is likely to reach far beyond Florida, with impacts that have yet to be understood."

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So far, celebrities keeping a low profile on oil spill

By Todd Leopold, CNN STORY HIGHLIGHTS

- · Few celebrities have spoken about the Gulf oil spill
- Spill is "unfamiliar" territory to many, and impact just starting to be known, says expert
- Louisiana Gulf Coast musicians, leaders put together Gulf Aid, fund-raising concert
- Hollywood likely to get involved: "This town is very good at stepping up," Tom Selleck says

President Obama goes one-on-one with Larry King on Thursday night to talk about the oil spill, economic turmoil and war. Don't miss the president on "Larry King Live," 9 p.m. ET on CNN.

(CNN) -- It's become a tradition.

First, the disaster. Then the concert or telethon; messages to donate money or lend a hand -- all with musicians, actors and other celebrities out front.

But this time things are a little ... quieter.

With some key exceptions, since the Gulf of Mexico oil spill began on April 20 there have been few celebrity calls to arms.

Which is not to say that nobody's been paying attention or that celebrities aren't as frustrated as everybody else.

"One time, go off!" director Spike Lee urged President Obama on CNN's "AC 360°." "If there's any one time to go off, this is it, because this is a disaster."

"No more ocean drilling," Ted Danson, a board member of the environmental organization Oceana and longtime activist, told CNN's Larry King last week.

"You have the biggest, most horrible example of what happens when something goes wrong. Accidents do happen, period. So, stop this. ... To say we need to drill offshore to create jobs is wrong."

A handful of others have also sounded off. Victoria Principal donated \$200,000 to Oceana and the National Resources Defense Council. James Cameron offered his expertise to officials. Leonardo DiCaprio posted on Facebook that he'd taken the "Save My Oceans" pledge.

But, in general, there has been uncomfortable silence. And that's understandable, says Dan Pallotta, a social entrepreneur, charity expert and author of the book "Uncharitable."

"I think it's unfamiliar [territory] to people, and I think the human tragedy has not yet really unfolded," he says. "Most of the impact is still out in the deep ocean, and it's just starting to come ashore. So we're seeing pictures of somebody's hand out on a beach with a little clump of oil in it -- which is a completely different story or image than a family outside of what used to be their home ... where a tornado has destroyed everything they own."

There's also the question of who's to blame, who should help, and how. Fingers are being pointed at BP, the federal government and other authorities, and the impact on local fishermen and the landscape is not as apparent now as it will be.

"The devastation is going to be much more economic than it is physical," he says. "You're not going to have the normal images of catastrophe

"For all of those reasons, it's different," he says, "and people haven't reacted with the kind of immediacy that they do when they see Haiti."

The Gulf Coast music and business community has been quick to react. Through the quickly established Gulf Relief Foundation, the groups arranged Gulf Aid, a May 16 concert in New Orleans that featured Lenny Kravitz, John Legend, Mos Def, Ani DiFranco and a number of local acts. The show raised more than \$300,000.

But then, says David Freedman, general manager of New Orleans community radio station WWOZ-FM and a board member of the foundation, they've seen this movie before.

"From the little bit we know, it sounds like it's Katrina all over again," he says, comparing the engineering mistakes that led to the oil spill to what he called the faulty levees that led to the flooding of New Orleans.

"The thing that we learned in that experience of 2005 was, don't wait. Because you could be waiting a long time for people to help you."

Freedman admits that Gulf Aid is still working out how to distribute its funds -- testament to the difficult nature of the oil spill and questions surrounding who else will pick up the bill. But he says there's no question that help is needed.

"The economic devastation is going to be measured with Bs -- billions," he says. "My feeling, having gone down there [to the Louisiana coast], is there's just palpable terror" among fishermen and local workers. "They don't know what they're going to do. And we're looking at it as how we can make a difference."

Freedman says the foundation is just getting started, and plans are in the works for other events, some with national reach. A DVD of Gulf Aid is due this month and a song by Kravitz and Mos Def, "It Ain't My Fault," recently came out on iTunes.

Indeed, expect this summer to feature a number of awareness-raising events. Bonnaroo, the massive Tennessee festival scheduled for next weekend, always has several environmental initiatives at its Planet Roo area, and promoter Rick Farman says its nonprofit Bonnaroo Works Foundation will also be looking into ways to help.

He also believes the entertainment industry will come to the fore -- as they have for the Haitian earthquake and the floods in Nashville last month.

"The issues that are happening down there are pretty core to what a lot of entertainers believe in," he says.

And actor Tom Selleck, speaking to CNN at a recent movie premiere, agrees.

"The town is very good at stepping up. And I think people will and we should," he says. "The question is, where do we step up and what's needed? It's a different kind of ongoing problem, and I think we need to find out where we can best fit. There's two issues -- there's a leak and there's a cleanup, and I have a hunch we're going to be very needed in the cleanup."

CNN's Megan Clifford, Jack Hannah and Denise Quan contributed to this story.

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June 3, 2010

Admiral Says Oil Pipe Is Cut, a Key Step in Halting Leak

By CAMPBELL ROBERTSON, JOSEPH BERGER and HENRY FOUNTAIN

NEW ORLEANS — Delicately manipulating a 20-foot-long shear at depths of nearly a mile, technicians successfully snipped a key riser pipe on Thursday in their effort to contain the oil spewing into the Gulf of Mexico. They prepared to cap the remaining pipe later in the day with a dome that they hoped would allow them to funnel the oil to tankers on the surface.

Adm. Thad W. Allen, who is commanding the federal response to a spill that has been called the nation's worst environmental disaster, said at a news conference in Metairie, La., that the cut was "a significant step forward." But he cautioned that using a shear, rather than a finer diamond-laced wire saw, as the slicing instrument resulted in a jagged cut, meaning that the containment cap will fit less snugly.

A rougher fit, he acknowledged, increases the risk that oil may escape and that the cap itself will become filled with hydrates, icelike crystals of gas and water that form at low temperatures and high pressures.

"We'll have to see when we get the containment cap on it just how effective it is," Admiral Allen said. The first attempt to put a containment dome over the leak failed several weeks ago, when hydrates plugged the opening in the 98-ton dome and caused it to become buoyant. To combat this possibility, BP, the oil giant that owns the stricken well, is running methanol, which will act as a kind of antifreeze, through a hose down into the containment cap.

For now, with the riser sheared off, oil is pouring unobstructed into the ocean. The federal group charged with measuring the spill has said that with the cut, the leak could now be as

much as 20 percent greater. Until Thursday, the riser had been constricted somewhat by bends, much like kinks in a garden hose.

The White House announced on Thursday that President Obama would visit the gulf region on Friday, a telling sign of how much of a distraction the oil spill has been from the president's complicated agenda and the political risks the spill poses to his presidency. It will be the third time Mr. Obama has visited the area since the explosion of the Deepwater Horizon drilling rig on April 20, which killed 11 workers and led to the spill, pouring an estimated 12,000 to 19,000 barrels of oil a day into the Gulf of Mexico.

As the effort to contain the leaking oil continued, the head of BP acknowledged that the company had not been fully prepared to deal with a deepwater spill.

"What is undoubtedly true is that we did not have the tools you would want in your tool kit," Tony Hayward, chief executive of the British oil giant, told The Financial Times in an interview published Thursday.

It is "an entirely fair criticism," he said, to fault the company for not being fully prepared for a leak one mile below the surface of the gulf. In the wake of the disastrous 1989 Exxon Valdez spill in Alaska, he said, BP and other oil companies prepared intricate plans to contain oil on the surface of the water. But BP did not have all the equipment it should have had to stanch a deepwater leak like the one in the gulf. It will have to find ways to manage such "low-probability, high-impact" risks in the future, he said.

The announcement that the riser had been cut was a rare glimmer of positive news. This latest effort to try to contain the oil hit a snag on Wednesday when the saw became stuck. The riser it was trying to cut is a mile-long pipe that once ran from the wellhead up to the drilling rig, snaking along the seabed.

A technician involved in the effort said the wire saw had cut less than halfway through the riser when it stopped being effective. The saw was freed later Wednesday afternoon, but officials then decided to use the shear instead. The shear, about 20 feet long and nearly 10 feet high, was used to make an earlier cut in the riser about 50 feet away.

Because the cut it made on Thursday was not as clean as the wire saw would have made, the

containment cap will have to be modified. The technician said he still expected the cap to be in place by Thursday. The technician, who spoke on the condition of anonymity because he was not authorized to comment on the work, said it appeared that the saw had been dulled by material inside the riser — including, perhaps, some of the objects pumped into the well during the failed "top kill" procedure last week.

The gusher 5,000 feet below the surface might not be stanched until mid-August, when BP is expected to complete the first of two relief wells that will plug the well with cement. Admiral Allen said Thursday that that effort was ahead of schedule.

Admiral Allen also announced that he had approved a request by the governor of Louisiana, Bobby Jindal, for five additional sand barrier islands and that BP would pay for them. BP said Thursday that the project would cost about \$360 million on top of the \$990 it had spent so far on the cleanup and on claims made by people and companies hurt by the spill.

Slicks of oil were edging closer to the white-sand beaches of the Florida Panhandle, and emergency workers hurried to link up chains of boom stretching for miles that could prevent much of the oil from reaching the shore.

Campbell Robertson reported from New Orleans, and Joseph Berger and Henry Fountain from New York.



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Printed on page A1

patches seen 3.5 miles off Fla. coast

Crist Says 'All Hands on Deck' as Oil Approaches

By <u>Lloyd Dunkelberger</u> NYT REGIONAL MEDIA GROUP

Published: Thursday, June 3, 2010 at 9:54 p.m.

PENSACOLA | Braving thunderstorms and 4foot seas, a small armada of oil-skimming vessels patrolled the coast of Florida's Panhandle on Thursday in a desperate bid to keep the encroaching slick at sea.

Spotters found patches of the slick just six miles from the coast - a distance where ships are within sight of the beach - near the popular tourist destinations of Navarre Beach and Destin.

 $\label{lem:coast} \mbox{ Coast Guard cutters were immediately deployed } \mbox{ Thursday, June 3, 2010.} \\ \mbox{ to skim up the sheen and tar balls in the area.}$



Gerald Herbert | AP

Danene Birtell, left, of Tri-State Bird Rescue and Research, Patrick Hogan, right, of International Bird Rescue and Research Center, and Christina Schilleci, background right, clean an oiled pelican from the Deepwater Horizon oil spill in Buras, La., Thursday, June 3, 2010.

But underscoring the pervasive nature of the threat, Gov. Charlie Crist sighted a patch of oil "sheen" 3.5 miles from Pensacola Beach during an aerial tour Thursday afternoon. And Crist said there were no skimming vessels in sight.

The oil "is much closer than we would like it to be," Crist said. "It's really all hands on deck."

Oil is projected to reach the pristine white beaches around Pensacola by no later than Saturday, according to estimates from the National Oceanic and Atmospheric Administration.

And the urgent consensus among state and local leaders is that more dramatic steps need to be taken to avoid the problems that Louisiana has faced as the oil spill surged into its coastal marshes.

Attorney General Bill McCollum, who accompanied Crist on the aerial tour, sent a letter to the Obama administration calling for the deployment of more skimmer ships off Florida's coast.

"We need to have skimming vessels," McCollum said. "If you had a skimmer out there, we would feel a lot better about that. It would go away pretty quickly."

Nelson wants military HELP

U.S. Sen. Bill Nelson, D-Fla., said it is time to put the U.S. military in charge of the oil threat, likening it to the use of the military to guide recovery efforts after the earthquake in Haiti or the oil cleanup during the Gulf War in 1991.

"My worst nightmare is coming true," said Nelson, who has been an ardent opponent

of drilling in the Gulf of Mexico.

"We've seen that the government's efforts did not work with the Louisiana wetlands," Nelson said. "I want that effort to work for the beaches and estuaries of Florida. I simply think that the best command and control structure in the world is the U.S. military."

Nelson said while the U.S. Coast Guard has done a "good job" on the spill response, bringing the full resources of the military could help expand the skimming operations and settle issues such as whether some of the oil is moving undetected under the sea.

Thus far, the White House and Pentagon have rebuffed Nelson's request, with Adm. Mike Mullen, chairman of the Joint Chiefs of Staff, telling CNN that the military had no plans to expand its role.

'blindsided'

Local officials are also demanding a change in the response team that gives BP, the oil company responsible for the spill, a large share of the decision making.

"We felt absolutely blind-sided. We had no idea," said Escambia County Commission Chairman Grover Robinson about how local officials were informed the oil was only seven miles from the county's beaches earlier this week.

The information did not come from the "unified command" center set up by BP. Instead, it was a private citizen who relayed the information that was quickly confirmed by state environmental officials, Robinson said.

Robinson said he and other county leaders think BP should be held responsible for the spill but taken out of its role as one of the cleanup leaders.

Local residents "have no confidence in what is going on with BP," Robinson said, saying he would support a new command structure similar to what Nelson is calling for.

Chief Financial Officer Alex Sink, who met with about 25 Pensacola business owners at a local marina Thursday, also stepped up the pressure on BP, calling for the company's executives to appear next week before the governor and the state Cabinet to explain their plans for protecting the state's coast and for compensating businesses hurt by the spill.

"Florida's leaders have been more than patient with BP and what do we have to show for it? Thousands of tar balls from the Deepwater Horizon oil spill are now less than 10 miles off of our beautiful Northwest Florida beaches," Sink said in a letter to the oil company. "The people of Florida have lost their patience and so have I."

Fighting the oil slick at sea has always been priority number one for the Coast Guard.

fighting the slick

In the 400-mile region between Mississippi, Alabama and the Florida Panhandle, there are roughly 200 vessels that vary in size from 20-foot fishing boats to 225-foot cutters.

In a two-day period this week emergency workers spotted and skimmed up 81,000 barrels of oil, about the amount that spews into the Gulf of Mexico every five days from the blown Deepwater Horizon well.

Such operations have successfully kept the oil at bay thus far but the winds are picking up, the seas are growing rougher and thunderstorms are limiting skimming activities.

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And as oil keeps gushing, some are questioning whether enough resources are being deployed.

Three large Coast Guard cutters are skimming oil, and three more are on the way to the Panhandle region, but Nelson said the Navy can bring better organization and more resources to the fight.

Officials hope they can suck up most of the oil before it ever reaches Florida and limit the coastal impact to tar balls and light sheen, which is relatively easy to clean from beaches.

The Coast Guard is getting assistance from the Marine Spill Response Corp., a nonprofit agency funded by oil and shipping groups to handle spills across the U.S.

The agency has two large skimmers in the Panhandle region along with support vessels and barges equipped with cranes that can scoop up weathered oil that has morphed into tar mats.

Santa Rosa County Commissioner Gordon Goodin met with MSRC workers recently and was impressed.

"They had the right look, the right body language. You could tell they'd been through this before," Goodin said.

Goodin is happy with the spill response in his backyard so far. He said Nelson's calls for Navy assistance are well-meaning but possibly off base.

"His sentiment is dead-on right," Goodin said. "But I think the responders have the specialized equipment and the people with proper training to do the job."

weather woes

Those resources will be tested going into the weekend as winds are forecast to remain steady from the southeast. Gusts of up to 30 mph are predicted along with five-foot waves that could push the oil spill directly toward the Panhandle and make skimming operations difficult.

"In bad weather some operations can not continue," said Coast Guard Lt. Cmdr. Natalie Murphy. "The water is harder to skim, and you need to maintain safety for the people working."

This story appeared in print on page A1



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The oil spill has left the central Gulf of Mexico awash in goo and the nervously watching American public buried in a blizzard of numbers: 20,000 barrels per day gushing into Gulf waters; 20,000 workers striving around the clock to plug the spill; nearly 1,400 vessels mobilized for the effort; millions of feet of boom to corral the oil; a million or so gallons of dispersant to break it up. And much more of everything in prospect as the effort continues to plug the runaway well and stop the mess from widening.

We'll offer one number that hasn't received the attention it deserves: 20 million. That's roughly the number of barrels of oil consumed each day by this country's cars, trucks, heavy equipment — everything.

It's a big number. To put things in perspective, if the BP spill is flowing at 20,000 barrels per day, that makes for an environmental catastrophe, but it amounts to a statistical rounding error when compared with daily U.S. oil consumption. It's roughly one-tenth of 1

percent of what we use daily.

We bring this up to call attention to the obvious: If this country is serious about reducing our oil dependency and, by inference, the amount of drilling at great depths offshore, we'll have to make some major inroads on the demand side. Short of that, shutting down drilling and production for any length of time in the Gulf of Mexico is a nonstarter. Gulf production provides us with 30 percent of the oil we produce domestically. Take it away without cutting consumption and you get only one thing: increased dependency on foreign oil, much of it controlled by countries that don't like us.

The Gulf spill has turned into a vexation for the Obama administration, framed curtly by the president's frustration-filled plea to White House aides to "plug the damn hole."

We share Obama's pain. But that plug may not come for a while yet. Let's make the best use of the interim, Mr. President: Put it to use marshaling public opinion in the cause of cutting the nation's demand.

Here's another number that might help: 700 billion barrels of oil equivalent. That's a rough estimate of how much natural gas this country has, mostly trapped in shale formations from Texas to Colorado and in the West Virginia-Pennsylvania-New York region. It's accessible without drilling through deep waters and the product is twice as clean as coal.

Maybe now is the time, Mr. President, to have a look at the energy independence plan put forward by the wildcatter T. Boone Pickens — especially his proposal to convert our nation's fleet of 8 million 18-wheeler trucks from imported diesel to domestically produced natural gas.

That would take time, and it wouldn't be cheap. A new infrastructure would have to be put in place. But it would make better use of a fuel that this country has in abundance, and which is more accessible than deepwater oil.

Focusing on future options (including nuclear power) beats the alternative of simply wringing your hands and wagging fingers at the oil companies, Mr. President. There'll be time enough for blaming after the Deepwater Horizon well is plugged and the Gulf's cleanup is under way.

Now is the time to point the way forward with cleaner alternatives that help build that bridge to a sustainable energy future we all want.

We believe the American people are primed for a mission that makes us more secure and creates good jobs while cleaning up the environment. It's your moment to lead, Mr. President. Take full advantage of it.

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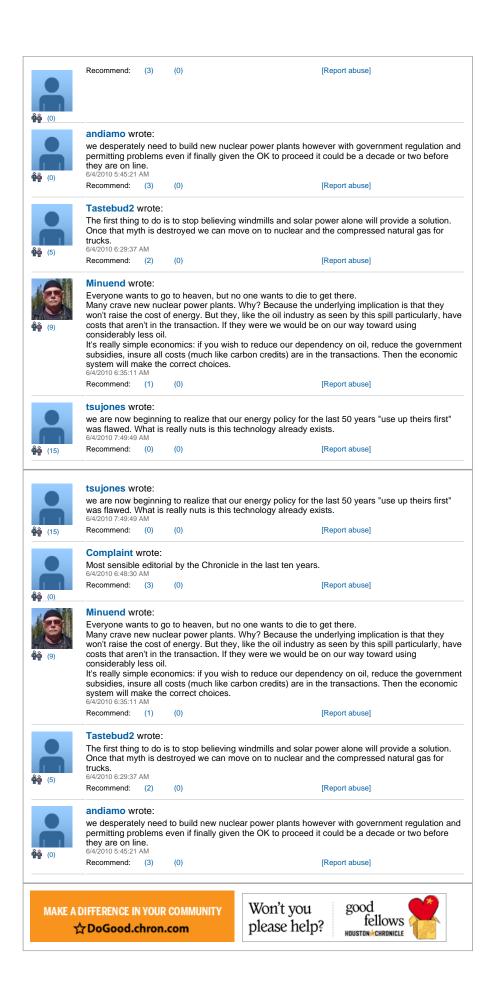
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Bobby Jindal Asks Obama To End Moratorium On Deepwater Drilling

First Posted: 06- 3-10 12:14 PM | Updated: 06- 3-10 02:04 PM

What's Your Reaction?

The White House has responded to Jindal, see update below.

Louisiana Gov. Bobby Jindal wrote President Obama a letter on Wednesday criticizing his decision to implement a temporary moratorium of deepwater drilling in the Gulf of Mexico.

Arguing that his state had already suffered crippling economic consequences, the Louisiana Republican urged Obama to rethink his decision to suspend activity at 33 previously permitted deepwater drilling rigs -- including 22 "currently in operation off the Louisiana coast."

Joining Jindal in his call to lift the moratorium is Sen. David Vitter (R-La.) who accused the Obama administration of pursuing a policy that "could kill thousands of Louisiana jobs."

In his letter, Gov. Jindal said his state was facing "one of the most challenging economic periods in decades."

"The last thing we need is to enact public policies that will certainly destroy thousands of existing jobs while preventing the creation of thousands more," he added.

"I fully understand the need for strict oversight of deepwater drilling," Jindal wrote. "However, I would ask that the federal government move quickly to ensure that all deepwater drilling is in proper compliance with federal regulation and is conducted safely so that energy production and more importantly, thousands of jobs, are not in limbo."

Story continues below

The undertone of the letter is that of a governor whose political livelihood is, in no small way, dependent on stemming the economic damage of the current spill. Certainly, Jindal's national political ambitions correspond with the idea that offshore drilling (including the deepwater variety) should not be interrupted -- merely made safer.

But the context of the note to Obama is a peculiar one. For starters, an investigation into what went wrong with the current spill has yet to conclude -- meaning that the same technical problems could still pop up at other sites. Moreover, Jindal has been quite public and aggressive with his insistence that BP has been less than capable in managing the fallout of the spill it has caused. He made explicit calls for the "federal government to force BP to act responsible" and for the oil company to "either begin the work or get out of the way,"

But the oil company that Jindal (and others) are now demonizing would be overseeing a good chunk of the deepwater drilling that he wants put back online. Of the 33 permitted deepwater drilling rigs that Jindal wants to continue operating, two are under BP leases and two are operating under leases controlled jointly by BP and Devon, according to a federal official.

Toby Odone, a spokesperson for BP, confirmed to the Huffington Post that the company current operates in the following "fields" in the Gulf of Mexico: "Atlantis, Thunder Horse, Mad Dog, Pompano, Marlin, Horn Mountain and Na Kika."

"We also have non-operating interests in fields such as Mars, Ursa, Diana, Hoover and Ram Powell," said Odone.

Read Gov. Jindal's letter to President Obama::

jindalBP

Here's an excerpt from Sen. Vitter's message on lifting the moratorium:

Louisiana has been witnessing a severe lack of urgency and understanding from the Obama Administration and BP. Our state and our way of life continue to be under attack from the devastating oil spill, and now to make matters worse, President Obama's has imposed a moratorium and shut down drilling in the Gulf of Mexico. Unless we lift Obama's moratorium, it could kill thousands of Louisiana jobs.

Rigs won't wait idly for six months, they'll move overseas to places like West Africa or Brazil and take jobs with them. I have called on President Obama to replace his recently announced shutdown of deepwater rigs for immediate rig safety inspections.

This moratorium is estimated to kill up to 10,000 Louisiana jobs and possibly 20,000 jobs throughout the course of the year. Our workforce and economy have been significantly impacted from the oil spill, but Obama's offshore moratorium could threaten potential revenue for Louisiana and be even more devastating.

UPDATE: A White House official emails over a rather blunt response. The gist is simple: while Jindal and others may think dire economic consequences will result from the moratorium, it would be far more perilous and catastrophic if another spill took place.

The 6-month moratorium on deepwater drilling was instituted for a clear reason: the President believes we must ensure that the BP Deepwater Horizon spill is never repeated. This will allow for the new safety equipment and procedures announced in Secretary Salazar's May 27th report to be

implemented and for the independent commission to review the cause of the spill and analyze the rules and regulations governing offshore drilling.

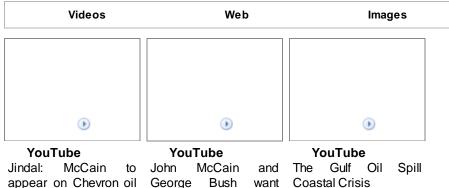
A repeat of the BP Deepwater Horizon spill would have grave economic consequences for regional commerce and do further damage to the environment.

Among the drilling rigs that have frozen exploration in the Gulf are 2 operated by BP, and 2 jointly operated by BP and another company. Proceeding without the moratorium would mean that BP would continue deepwater exploration in the Gulf.

Economic impacts were certainly taken into account - the moratorium is surgical and shallow water drilling, in which the risks are better known, is continuing under stricter safety rules. Additionally, oil and gas production is continuing at the existing set of production wells, so we are not expecting short term effects on our oil and gas supply.

Under the administration's legislative proposal to assist those harmed by the spill, workers unemployed because of the 6-month moratorium would be eligible for unemployment assistance. The proposal would also create jobs for cleanup, restoration, renovation and recovery. And the Small Business Administration is currently offering economic injury loans to impacted businesses on the Gulf Coast.





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The Washington Post

MMS suspends permits for Gulf drilling regardless of water depth

Advertisement

By Steven Mufson Washington Post Staff Writer Thursday, June 3, 2010; 1:54 PM

The Minerals Management Service has stopped issuing permits for new oil and gas drilling in the Gulf of Mexico regardless of water depth, effectively extending <u>President Obama</u>'s previously announced suspension of permits for deepwater drilling into the shallow waters.

Michael J. Saucier, regional supervisor of field operations for the MMS Gulf of Mexico region, said in an e-mail to one company seeking a permit that "until further notice we have been informed not to approve or allow any drilling not matter the water depth." Only three days earlier the company had been informed that drilling in water up to 500 feet deep would not be affected by the Obama moratorium.

Obama last week announced that he would suspend drilling in deepwater in the Gulf for six months, effectively delaying plans for at least 30 rigs. But the new ban on shallow water drilling would affect many more companies and it would fly in the face of lobbying by Gulf coast lawmakers, who have asked that shallow water drilling continue to protect the jobs that depend on such activity.

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June 3, 2010



Jason Linkins jason@huffingtonpost.com | HuffPost Reporting



Obama's Oil Spill Response: Do Americans Want Him To Show More Emotion? No, They Do Not

First Posted: 06- 3-10 01:42 PM | Updated: 06- 3-10 01:42 PM

What's Your Reaction?

Unless you're comatose or have found another pleasant way of avoiding the subject, you're probably aware that for the past week or so the political media has been blissing out to a pointless discussion of whether or not President Barack Obama has shown sufficient emotion over the ongoing oil spill in the Gulf of Mexico.

One would think that it would be widely recognized that rational decision-making is actually undermined by working oneself into a state of extreme emotional duress, but who knows? Maybe as soon as Obama displays the magical gesture from 19th-century staged melodramas, the oil will know we mean business and go away!

Alex Pareene provides a brief and lamentable rundown of all the tweenage thinkers in America who have signed up to complain about the lack of presidential emotion. Of special note is James Carville, who had a televised nervous breakdown of such impressive intensity that no one thought to remember that he is just a super-wealthy member of the political elite who has precisely nothing at stake and nothing to offer in terms of a solution.

"We're dying down here," shrieked Carville, who is definitely not dying in any material way as a result of the oil spill. But lots of people in the media watched that and thought it was superdeep and meaningful that someone could be a completely irrational git in front of some teevee cameras.

Greg Sargent, who has also been staking out the press's demands that Obama should solve the oil spill crisis by joining Dashboard Confessional or something, notes a bizarre caption on CNN's website that reads:

President Obama has dealt with the Gulf Coast oil spill tragedy with his signature cool, calm and collected approach, but now, the public is asking him to get mad.

But is the "public" really "asking" Obama "to get mad?" Well, people like David Brooks say they are, in columns for the *New York Times*. Pareene's simple response to that is to note, accurately, that "The joke is that when David Brooks talks, without any supporting evidence, about what the 'public' and 'the country' wants, *he is actually referring only to the response of the professional media elite*."

Is it possible to know what actual humans think about the notion that the oil spill needs to be confronted with lots of feelings? Well, on yesterday's edition of C-SPAN's *Washington Journal*, the matter of presidential emotion came up and many of these actual humans called in to respond. This is perhaps the closest we can come to knowing what the public thinks about the matter, so let's do that!

Story continues below

Over the first 45 minutes of the show, C-SPAN took many callers, a mix of Democrats and Republicans and Independents. A few callers didn't bother to engage the question of presidential emotions at all. Others made a glancing mention of the topic before moving on to discuss other aspects of the oil spill and other issues of the day. Democrats offered some criticism of Republicans, Republicans offered some criticism of Democrats, and a few people criticized C-SPAN for not covering the Gaza flotilla story. For the purposes of this exercise, I am including only the portions of the responses that dealt with the question of whether or not President Obama needs to show more emotion.

SPOILER ALERT: THESE RESULTS WILL NOT BE AT ALL SURPRISING, TO ANYONE NOT CURRENTLY LOCKED IN A BELTWAY MEDIA MASTURBATORIUM.

[If you like, you can watch the show in its entirety online, here.]

We begin with two callers that thought that emotion was a silly concern:

Democratic caller: I think that President Obama he's a thinking man. He gets the facts, he gets the figures, he gets the information. And I do not think that we can ask something out of a President that he is not. I just think that he wants the facts. It seems like -- could they have gotten on it faster? Could he have gone down there more often? Absolutely.

Independent caller: I think that Mr. Obama needs to use more common sense rather than emotion.

Then there was a Republican caller that wouldn't even engage the question when prompted to do so:

HOST: What do you think this morning?

REPUBLICAN CALLER: About what?

HOST: About President Obama showing more emotion?

REPUBLICAN CALLER: I believe that he does not have the expertise of a Senator over time, right? The profession of that, you know what I am saying? You have to have judgment and forgiveness of certain things. Accidents do happen. But he needs to be more get on their backs to help to get that clean up done.

This was followed by a string of callers who rejected the question:

Democratic caller: I think that he is doing all that he can but he needs to talk more about it. But I want to make another point about how the media keeps putting an onus on him.

Democratic caller: I really think that he is showing the right amount of emotion. He has been there several times to take a look. The man has been handed the back of a snake. He has enough on his platter to deal with and he is still a family man.

Independent caller: I think he can't win for losing, because not only does he have a lot of important things to deal with...wars and the economy and health care and everything else that is major, but now this major oil spill has come up and I don't think we want someone that's overly emotional.

Democratic caller: [sarcastically] President Obama can't do nothing! Either he is not showing enough emotion or maybe he using the teleprompter too much! I don't know what he could do to satisfy C-SPAN and the other part of the media.

Then, at last, success! Three people in a row who thought the president needed to emote more:

Independent caller: I think, for one thing, showing more emotion? Yes, he could. I am very cerebral myself, I'm very intelligent, but I also have emotions,

and Obama has not done a good job of that. With him doing fund-raising for certain people in California, I thought that was very bad. But what else can we do with this point? We need to come together.

Republican caller: In my opinion he has not shown much emotion...I think that if he had acted quicker this would not have been such a big story if he had gotten the Navy involved...he should invest more emotion, showing the american people that he has a lot invested in this.

Independent caller: My feelings are that President Obama has not shown enough outrage.

It didn't last long!

Democratic caller: I have a problem with the question of the morning. What is showing more emotion? What is he supposed to actually do, emotionally?...I keep hearing from a tea bagger point of view, less government, less government, less government. That's my first point, I don't need to say anything more about that. My second point is should the President show more emotion when it comes to soldiers being killed in Iraq and Afghanistan? Should the American people show more emotion when a homeless person dies on the street and can't have a place to live? Should the American people show more emotion When a child cannot get health care? Should they show more emotion when it comes to their fellow citizens? Let's stop and evaluate the actual question. Is he supposed to jump up and down and shout and scream? Or is he supposed to make sure that the people who are in charge are doing what they're supposed to be doing?

That caller was cautioned by the host about getting too incivil and using the term "teabagger." The irony of admonishing someone for getting too emotional in a conversation about whether or not someone should show more emotion, is priceless. YOU CAN'T FIGHT IN THE WAR ROOM!

Back to people scoffing at the notion that the president needs to be more emotional:

Independent caller: Should Obama show more emotion? What more can he do other than be realistic?

Democratic caller:I cannot understand why the public is now wanting our President to express greater emotion. I think he has made it very clear they he is very disappointed, along with everyone else in the country...But I cannot see that he could do anything more than he has done.

Republican caller: It is really sad that Americans have turned to this position of wanting the President to show more emotion.

Independent caller: I just think that this is such a ridiculous question. Should the President show more emotion? What would it do if he stood on the beach with tears streaming down his eyes? Would it plug the hole? I don't think so.

Democratic caller: I do not think that the President should be showing more emotion. I think that he should always remain calm, despite the urgency of any situation...He is supposed to reassure the country. However, I do not think he is being a good leader right now.

Republican caller: I think Obama has not shown good leadership in the oil crisis. And everybody is fighting amongst themselves about it and they need to start worrying about solving the problem.

Democratic caller: I do not even accept the statement or the question. We all know that this President, one of his strong leadership points is that he is calm under dire circumstances. To me that is what you need. This is just another media made-up story...to make the President look bad.

Finally, someone took up the emo cause:

Independent caller: I think that the President Obama can show more emotion. When he was in Louisiana on the beach picking up tarballs, I wanted to

see him in the marshes where the oil is, not just picking up tarballs. I think that his speech was to curt...It seemed too businesslike and scripted. I wanted him to throw the script away and just speak from the heart.

I'm not even sure how to categorize the next caller, so I'll just consider this a yes for "Obama needs to show more emotion, and less socialism!"

Republican caller: Nothing has gotten better under President Obama because he does not want it to get better. He uses every crisis to expand government and government doesn't cause solutions, it causes more problems. People depend on something that will always let them down. And he is a talker, a professional lawyer...If he had any emotion at all it was about having another one of his vacations interrupted.

The final caller put an appropriate capper on the conversation.

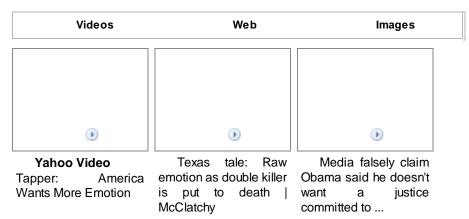
Democratic caller: The question today about the President having emotion...I think the question is out of line with what is going on. Do you want someone running around screaming, "Fire, fire?" I have watched you for the last hour, I don't you've not moved from the right or the left. Should you have more emotion about what is going on? What is the question? What kind of emotion do you want him to have?

So there you have it. Many people thought the question was extremely stupid. A few demonstrated the ability to criticize the president on the basis of his rational decisions. But the bottom line is this: of 21 callers who even bothered to acknowledge the question, only five of them -- if I'm being extremely charitable -- thought it was important that the president show a wider and more intense display of emotions.

So, boom. This is a settled matter. Does the public want President Obama to show more emotions over the oil spill? No. They want the oil spill fixed. They do not give two tugs of a dead dog's dick about the president's emotions.

[Would you like to follow me on Twitter? Because why not? Also, please send tips to tv@huffingtonpost.com -- learn more about our media monitoring project here.]





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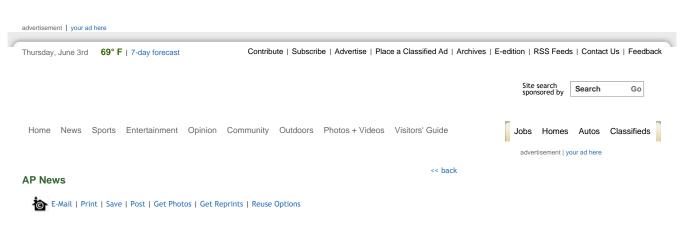
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Jun 3, 2:28 PM EDT

BP CEO: 'We will be here for a very long time'

By PAUL J. WEBER Associated Press Writer

HOUSTON (AP) -- BP Chief Executive Officer Tony Hayward says the company should know in 12 to 24 hours whether its latest effort will contain the Gulf oil spill, though he conceded the attempt is risky.

Hayward said Thursday that the risk had been reduced after a major pipe was cut away earlier in the day. Government officials have warned that cutting away the pipe could, at least temporarily, increase the flow of oil by 20 percent.

Hayward says the company will be on the Gulf coast for a long time cleaning up the spill and will continue until every drop of oil is recovered.

THIS IS A BREAKING NEWS UPDATE. Check back soon for further information. AP's

METAIRIE, La. (AP) - BP sliced off a pipe with giant shears Thursday in the latest bid to curtail the worst spill in U.S. history, but the cut was jagged and placing a cap over the gusher will now be more challenging.

BP turned to the shears after a diamond-tipped saw became stuck in the pipe halfway through the job, yet another frustrating delay in the six-week-old Gulf of Mexico spill.

The cap will be lowered and sealed over the next couple of hours, said Coast Guard Adm. Thad Allen, the government's point man for the disaster. It won't be known how much oil BP can siphon to a tanker on the surface until the cap is fitted, but the irregular cut means it won't fit as snugly as officials hoped.

"We'll have to see when we get the containment cap on it just how effective it is," Allen said. "It will be a test and adapt phase as we move ahead, but it's a significant step forward."

Even if it works, BP engineers expect oil to continue leaking into the ocean. $\ensuremath{\mathsf{E}}$

The next chance to stop the flow won't come until two relief wells meant to plug the reservoir for good are finished in August. $\frac{1}{2} \int_{-\infty}^{\infty} \frac{1}{2} \left(\frac{1}{2} \int_{-\infty}^{\infty} \frac{1}{2$

This latest attempt to control the spill, the so-called cut-and-cap method, is considered risky because slicing away a section of the 20-inch-wide riser removed a kink in the pipe, and could temporarily increase the flow of oil by as much as 20 percent.

Live video footage showed oil spewing uninterrupted out of the top of the blowout preventer, but Allen said it was unclear whether the flow had increased.

"I don't think we'll know until the containment cap is seated on there," he said. "We'll have to wait and see."

President Barack Obama will return to the Louisiana coast Friday to assess the latest efforts, his third trip to the region since the April 20 disaster. It's also his second visit in a week.

BP's top executive acknowledged Thursday the global oil giant was unprepared to fight a catastrophic deepwater oil spill. Chief executive Tony Hayward told The Financial Times it was "an entirely fair criticism" to say the company had not been fully prepared for a deepwater oil leak. Hayward called it "low-probability, high-impact" accident.

"What is undoubtedly true is that we did not have the tools you would want in your tool-kit," Hayward said in an interview published in Thursday's edition of the London-based newspaper.

Oil drifted six miles from the Florida Panhandle's popular sugar-white beaches, and crews on the mainland were doing everything possible to limit the catastrophe.

The Coast Guard's Allen directed BP to pay for five additional sand barrier projects in Louisiana. BP said Thursday the project will cost it about \$360 million, on top of about \$990 million it had spent on response and clean up, grants to four Gulf coast states and claims from people and companies hurt by the spill.

Mark Johnecheck, a 68-year-old retired Navy captain from Pensacola, sat on a black folding chair as rough surf crashed ashore at Pensacola Beach and children splashed in the water. Johnecheck has lived in the Pensacola area since the 1960s, but doesn't come to the beach very often.



AP Photo/Anonymous







Gulf Oil Spill

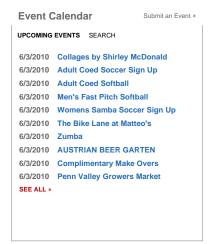


Attempt to Contain Leak



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"The reason I'm here now is because I'm afraid it's going to be gone," he said. "I'm really afraid that the next time I come out here it's not going to look like this."

He said the arrival of the oil seems foregone: "I don't know what else they can do," he said. "It just makes you feel helpless."

His wife walks up and becomes emotional thinking about the oil. "It's like grieving somebody on their dying bed," said Marjorie Johnecheck, 62.

Next to her chair is a small white pail full of sugary Panhandle sand. She will take it home and put it in a decorative jar.

"I'm taking it home before it gets black," she said.

Forecasters said the oil would probably wash up by Friday, threatening a delicate network of islands, bays and beaches that are a haven for wildlife and a major tourist destination dubbed the Redneck Riviera.

Officials said the slick sighted offshore consisted in part of "tar mats" about 500 feet by 2.000 feet in size.

County officials set up the booms to block oil from reaching inland waterways but planned to leave beaches unprotected because they are too difficult to defend against the action of the waves and because they are easier to clean up.

Anne Wilson, a 62-year-old retired teachers aide who has lived in Pensacola Beach for the last year and a half, felt helpless.

"There's nothing more you can do," said Wilson, who lived in Valdez, Alaska, near the Exxon spill in 1989. "It's up to Mother Nature to take care of things. Humans can only do so much

Florida's beaches play a crucial role in the state's tourism industry. At least 60 percent of vacation spending in the state during 2008 was in beachfront cities. Worried that reports of oil would scare tourists away, state officials are promoting interactive Web maps and Twitter feeds to show travelers - particularly those from overseas - how large the state is and how distant their destinations may be from the spill.

The effect on wildlife has grown, too.

The U.S. Fish and Wildlife Service reported 522 dead birds - at least 38 of them oiled - along the Gulf coast states, and more than 80 oiled birds have been rescued. It's not clear exactly how many of the deaths can be attributed to the spill.

Dead birds and animals found during spills are kept as evidence in locked freezers until investigations and damage assessments are complete, according to Teri Frady, a spokeswoman for the National Oceanic and Atmospheric Administration.

"This includes strict chain-of-custody procedures and long-term locked storage until the investigative and damage

assessment phases of the spill are complete," she wrote in an e-mail.

Associated Press writers Adam Geller and Janet McConnaughey in New Orleans, Melissa Nelson and Matt Sedensky in Pensacola and Travis Reed in Miami also contributed to this report.

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BP spill could reach Atlantic Coast within weeks

12:44pm EDT

WASHINGTON (Reuters) - Oil from the BP spill in the Gulf of Mexico could float around Florida and up the U.S. East Coast as far as North Carolina, the National Center for Atmospheric Research said on Thursday.

Citing computer models, scientists at the federally-funded center said in a statement that the oil could reach Florida's Atlantic Coast within weeks and could move as far north as Cape Hatteras, North Carolina.

"I've had a lot of people ask me, 'Will the oil reach Florida?'" NCAR scientist Synte Peacock said in the statement. "Actually, our best knowledge says the scope of this environmental disaster is likely to reach far beyond Florida, with impacts that have yet to be understood."

The center's statement said the study is not a forecast because it is not possible to accurately predict where the oil will be weeks or months from now. However, the computer simulations of the oil's movement "provide an envelope of possible scenarios for the oil dispersal."

Where and when the oil will move depends on regional weather conditions and the Gulf of Mexico's Loop Current, the statement said.

More information and a computer animation of the oil's possible course are available online here

For full coverage, click on link.reuters.com/hed87k

(Reporting by Deborah Zabarenko, editing by Anthony Boadle)

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Is Louisiana trip Obama's ticket Down Under?

JUN 3, 2010 12:42 EDT

AUSTRALIA | BARACK OBAMA | BP OIL SPILL | INDONESIA



President Barack Obama is due to take off this month for a trip to Australia and Indonesia that he has already rescheduled once because of pressing matters here in the United States. In March, the imminent passage of healthcare reform prompted him to put off the journey until June.

Now the talk in Washington is that the BP oil spill soiling the Gulf of Mexico could force him to put off the trip again — or even cancel it for good.

Oil has been gushing into the Gulf since April 20, when the Transocean Ltd drilling rig Deepwater Horizon licensed to BP exploded, killing 11 workers. The oil has devastated the ecology and economies of Gulf Coast states and put intense pressure on Obama to not just do something to stop it — a task that so far has proved impossible for BP — but to prove to Americans that he cares, and cares deeply, about the crisis.

The president has been lambasted for what is seen as his failure to do so. "The man who walked on water is now ensnared by a crisis under water," columnist Maureen Dowd wrote in The New York Times. He has been hit hard for spending time on what are seen as frivolous presidential events, such as meetings with championship sports teams, or last night's White House concert with Paul McCartney.

The trip to Australia and Indonesia could be labeled as more of the same, and speculation has been thick in Washington that Obama will call it off in order to show the nation he is firmly at the helm of the Gulf crisis. How could he risk being photographed on a beach in Bali while the U.S. coast is lapped with oil?

The White House announced on Thursday morning that Obama was heading to the Gulf region on Friday, his second trip there in seven days, and his third since the rig explosion.

But with the well still gushing, would it be enough to let him take the longer trip?

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Author Profile



Patricia Zengerle is a White House Correspondent at Reuters. She was most recently an editor in Washington, D.C., and had previously been an editor in London, and a correspondent in Miami, Pittsburgh and New York.

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Picture credit: A roadside sign expresses resentment towards BP and U.S. President Barack Obama over the Deepwater Horizon oil disaster. REUTERS/Lee Celano

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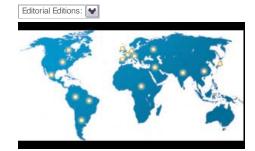
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BP credit ratings cut as oil-spill costs mount

10:51am EDT

By Sarah Young and Paul Hoskins

LONDON (Reuters) - Fitch Ratings downgraded BP, reversing its view that the Gulf of Mexico oil spill would have a limited financial impact on the company, and was joined by Moody's as fears grow over clean-up and legal costs.

"The downgrade of BP's ratings reflects Fitch's opinion that risks to both BP's business and financial profile continue to increase following the Deepwater Horizon accident," Fitch said on Thursday.

The BP oil spill, which began in April, is causing an ecological and economic catastrophe along the U.S. Gulf coast. Estimates for the total cost to BP range from \$5.3 billion from Dutch bank ING to \$37 billion from Credit Suisse.

Fitch in May admitted to a mistake when it assumed that the impact of the spill on BP's finances would be mitigated by insurance. However, Fitch said at the time the impact of the spill on BP's credit rating remained limited.

BP insures its own operations in the United States, rather than using commercial insurers, which means it is responsible for funding the clean-up [ID:nN30179546] [ID:nLDE6441W9]

But on Thursday the agency downgraded its rating on BP debt to AA from AA+ and attached a negative outlook, citing substantial additional risks including clean-up and legal costs.

Other factors that could lead to further downgrades include the oil well flow rate permanently increasing, the relief well being drilled by BP failing to completely arrest the oil flow and clean-up costs exceeding Fitch's worst-case scenario of around \$5 billion in any one year, the agency added.

Moody's also on Thursday cut the group's ratings by one notch to Aa2 from Aa1, also citing the clean-up and legal costs, and placed the group on review for further possible downgrades.

"Moody's expects these costs to weigh significantly on BP's free cash flow generating capacity and to constrain its ability to focus on other key areas of the company's business in the near to intermediate term." it said.

Reuters reported on Tuesday that a \$23 billion slide in BP's market value and a surge in the cost of protecting its debt were due to fears oil could continue spewing into the sea for another two months at least and that BP's latest bid to stem the flow could make matters worse.

Five-year credit default swaps on BP were about 30 basis points tighter on Thursday at around 230 basis points, according to data from Markit.

On Wednesday, the cost of insuring BP's debt via CDS had soared, with BP's five-year CDS widening at one stage by 100 basis points to a record 270 basis points.

The other main rating agency, Standard & Poor's, which on May 7 revised its outlook for BP to negative from stable, has said it is reviewing ratings on around 35 companies as a result of a temporary ban on deepwater drilling in the Gulf of Mexico.

SHARES EDGE HIGHER

Shares in BP gained as much as 4.7 percent on Thursday as a call with analysts planned for Friday gave hope there would be an update on the company's plans for its dividend which is seen to be threatened by the growing cost of the spill.

Two U.S. Senators said on Wednesday BP should cut its dividend until the full costs for the clean-up can be calculated.

The stock was up 2.6 percent at 440.8 pence by 1336 GMT, back in line with European peers, and outperforming a 1.8 percent higher UK market.

"Maybe some people have decided that on a risk reward basis the value's there," said UBS analyst Jon Rigby, who added that most people's estimates of the cost of the spill is now "hugely" over-discounted in the stock.

(Additional reporting by Jane Merriman and Victoria Bryan; Editing by Erica Billingham)

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Greenwire

1. GULF SPILL: Federal funding cuts leave oceanographers, spill responders in dark (06/03/2010)

Paul Voosen, E&E reporter

Gulf Coast oceanographers have been forced to operate in dim conditions.

Five years ago, before the money dried up, oceanographer Robert Weisberg had 14 buoys bobbing up and down off the West Florida coast. The buoys were vital scientific instruments, recording salinity, temperature and current speed. They granted real-time insight into the unruly stew of the Gulf of Mexico's shifting flows. Ocean models were tested, and improved.

Those good times are over. Today, Weisberg has only four floats deployed, and earlier this year, he had to pull several buoys out of the water -- tools that would have been a boon in tracking the Gulf's unfolding oil disaster. But the money ran out, and the collective blind spot of the region's scientists grew, just as their insight became invaluable.

"We're trying to make as many measurements as we can with an ever decreasing base of support," said Weisberg, who, from his perch running the Ocean Circulation Group at the University of South Florida, has been an influential authority on the Gulf spill's spread.

The few buoys Weisberg has left have begun to fail. They are growing senile, blinking in and out of operation. There's no money available for their repair, let alone replacement. The dearth of funds is a problem scientists are having all across the Gulf, he said.

"We're all struggling," he said. "We're now all in the same leaky boat."

For more than a decade, scientists have called for federal funding of a network of radar, buoys and other sensors that would provide the equivalent of a weather forecast system for the Gulf of Mexico. Yet despite what seemed like promising support in Washington, funding for these programs has dropped by half or more in recent years, leaving oceanographers to use satellite snapshots and imperfect models to guess where the oil will travel, dragged by unwatched currents.

"No one knows where all the oil is going to go," said Nick Shay, a physical oceanographer at the University of Miami's Rosenstiel School of Marine and Atmospheric Science. "This is where a robust observing system would really come in handy."

Gradually, the government's highest levels are becoming acquainted with the limits of observation in the Gulf, Jane Lubchenco, the administrator of the National Oceanic and Atmospheric Administration (NOAA), told reporters yesterday.

"The ocean observing system is nowhere as comprehensive as would be [preferred]," she said. "And it would be extraordinarily valuable in this instance to be able to understand in a more dynamic sense, for example, what the Loop Current is doing beneath the surface and what the flows are at different depths. We have a general understanding, but nowhere near what would be useful."

Without a proper forecast system, oil responders have faced great uncertainty.

When the oil neared the Loop Current, the destabilizing flow that runs past the Florida Keys, no scientists could predict how the current would shift on a daily basis, as their observations were drawn largely from intermittent satellites. Tides of oil continue to surprise crews along Louisiana shores, caught in invisible currents. And there are no dedicated sensors tracking what could be plumes of dispersed oil floating in deep waters.

Had those buoys been in place, scientists wouldn't have been "caught in a situation of ignorance," said Frank Muller-Karger, a biological oceanographer at the University of South Florida. "There would be a lot more information about how the oil would disperse below the surface," he said.

Partly due to limited funding, one vital system on the Gulf's northern shore -- the sole array of high-frequency radar -- was offline when the Deepwater Horizon erupted. The radar took more than a week to get running and

since then has provided essential real-time data for NOAA slick projections. Even now, however, the system cannot reach Louisiana's southern shore, where oil has been lapping into intricate marshland.

With even a modest amount of money -- modest by Washington standards -- it is not hard to see how much more effective the spill response could have been, said Debra Hernandez, executive director of the Southeast Coastal Ocean Observing Regional Association, or SECOORA, a federally instituted program that coordinates ocean observing in the Southeast.

"Imagine if we'd had a complete HF [high-frequency] radar system in place," she said. "We would know what the surface currents are in the near shore. If we had more buoys and sensors mapping the 3-D current patterns under the surface of the water, we would certainly be in a much better position right now to describe what's probably happening below the surface."

"It's a cliche," she added, "but we know less about the ocean than the moon."

While the Gulf is home to the one of the world's most active offshore drilling regimes, other regions -- like California and the Mediterranean -- have instead led in developing observation systems that can be used for oil spill response. Had a system been in place, it would have already paid for itself, said Villy Kourafalou, an oceanographer at the University of Miami.

"If a few tens of millions had been spent to create and operate such a system before the Deepwater Horizon incident, my rough estimate is that hundreds of millions would have been potentially saved," she said.

"Having everyone scratching their heads [and] putting forward whatever they can do on short notice is not the best way forward," she added. "We need sustainable scientific development with an operational focus."

Yet, because of quirks in Washington spending, investment has gone in the opposite direction. Over the past two years, NOAA has proposed steep cuts to the budgets of regional associations like SECOORA, only to be rebuffed by Congress. Hernandez has only enough funds for a skeleton staff, she said.

"We're actually getting less money than when the program was in its infancy," she said.

'Pretty huge gaps'

The most pressing monitoring demand for the Gulf is also one of the most affordable, scientists say.

For more than a decade, researchers have been supplementing expensive buoys with high-frequency radar, broadcasting towers that, from a perch on the coast, bounce radio waves off ocean waves. The reflected waves allow scientists to determine the speed and direction of currents over vast areas of up to 6,000 square miles.

At first, in the 1990s, HF radar was an experimental tool, but it is now a proven technology. NOAA's planning documents actually call for a massive HF radar deployment, citing the need to improve the limited sampling the country takes of its coastal currents -- only 200 observations an hour, largely from buoys. Radar could increase that rate to 60,000 an hour.

Such a large sampling rate is essential for the National Weather Service, the NOAA agency that has, for more than a century, provided free snapshots and forecasts of the U.S. atmosphere. Given constant federal support, wind measurements outnumber ocean current readings by a more than 1,000-to-1 ratio, allowing relatively accurate weather predictions and quick takes on wind conditions.

Several years ago, Gulf oceanographers thought they were well on their way to a similar system after NOAA asked Miami's Shay and others how much it would cost to fill the radar gaps on the Gulf's coastline. The total was modest, \$2 million a year for five years. But then the recession hit, and "the whole process is basically shelved for now, simply because of lack of funding," Shay said.

"We're not anywhere closer to starting to put together a complete national network," he added.

The few HF radar operating in the northern Gulf have been kept alive by Stephan Howden, an oceanographer at the University of Southern Mississippi.

Howden last received federal funding for the project in 2006 -- it was a three-year grant -- and has radar in the Florida Panhandle, Alabama and Mississippi. The radar has proved difficult to keep running with limited reserves, he said. Hurricane Ida displaced the first two sites last year, and the Mississippi site lacked dedicated space at its Gulfport pier.

"The last straw was when a very large, old, broken-down crane was parked [nearby]," Howden said.

Howden was working to get his system back online when the BP spill began. He then scrambled, and was feeding radar data to NOAA by May 1. Meanwhile, researchers found, similar systems in Texas were already out of money and could not reactivate. It's a fate that Howden's radar -- cited daily in NOAA oil predictions -- could

soon face. He has money to operate until the end of this month, and afterward, he plans to use Hurricane Katrina payments from the Federal Emergency Management Agency to keep the radar operational.

The limits of the radar chafe Howden, who can only monitor west to the Mississippi River's Bird's Foot Delta, while much of the oil is washing ashore farther west. "Ideally," he said, "in this situation we would have had coverage all along Louisiana."

There is precedent for an extended network. California is nearly done erecting HF radar along its entire coast. The system's 60 radar cost \$21 million, covered by state bonds without federal support. (The Gulf's shared coast has seen little state investment in radar.) At first, the radar helped develop highly grained predictions for where stormwater runoff would cause beach closures, said Eric Terrill, an oceanographer at the Scripps Institution of Oceanography.

Then the radar got its time to shine during an earlier oil spill, when the container ship *Cosco Busan* rammed into San Francisco's Bay Bridge in late 2007, splashing 53,000 gallons of fuel into sensitive waters. The bay was cloaked in dense fog, which baffled aerial observation efforts.

The radar, however, pierced through the fog and tracked the oil's path, allowing scientists "to outline where most of the expected wash-ups on the shoreline," Terrill said.

Similar radar-assisted predictions are impossible for most of the Gulf Coast.

"We have pretty huge gaps," SECOORA's Hernandez said. "If you look at the maps, it's obvious."

'No. 2 priority'

The funding problems that have plagued Gulf scientists like Howden and Weisberg have their origins in what should have been a victory.

Last year, Congress passed the Integrated Coastal and Ocean Observation System Act, a little-noticed provision tucked into the omnibus public lands law.

The provision recognized regional observation associations like SECOORA and tasked them to lead efforts to develop monitoring and modeling systems, bringing together federal, state and private assets and sending equipment where needed. Previously, these associations, which are mostly based in local universities, were funded through congressional earmarks.

Yet once the program, known as the Integrated Ocean Observation System (IOOS), was made legitimate under NOAA, spending immediately fell by half, causing researchers from Maine to Texas to shutter equipment and pull buoys out of the water, said Josie Quintrell, the director of the National Federation of Regional Associations for Coastal and Ocean Observing, or NFRA, which represents the regional observation networks.

For the past two years, NOAA has sought \$14.5 million for the regional associations, which would have cut their collective budgets by \$5.5 million last year and \$12.5 million this year, according to agency proposals. Congress denied the cuts last year, sending \$27 million to the program, and in April, the Senate's Oceans Subcommittee called for NOAA to increase its spending to \$33 million.

It remains to be seen whether the oil spill will change the agency's spending priorities, said Ben Sherman, a spokesman for NOAA's National Ocean Service. "Obviously, NOAA across the board is learning a lot of lessons from the oil spill," he said.

Even this increased spending, which is split in competitive bidding among 11 coastal regions, is barely enough to keep the lights on at regional associations, Howden said. "Congress never really funded [us] at any kind of level that would build the system we really need," he said.

It is a tough truth that oceans, at least until recently, did not have much pull in Washington. Lawmakers have always given the impression that "we're their No. 2 priority," Quintrell said, and NOAA has been reluctant to send sustained revenue outside the agency at the price of internal cuts.

"Everybody recognizes the need for quality, science-based information, but I don't know if we've been on the highest radar screen," she said.

The public is equally culpable in its neglect, added Muller-Karger, the biological oceanographer.

"People expect fish to be on the table, and people expect clean waters when they go to the beach," he said. "If it's out of sight, out of mind."

\$300M price tag

Building out a dramatically improved U.S. ocean observation system will cost \$300 million over five years, Quintrell said.

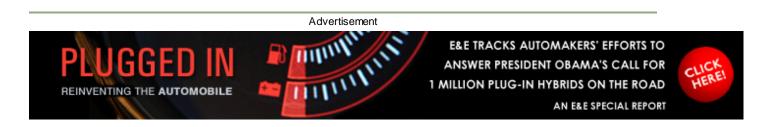
That spending would allow each region to operate HF radar, buoys, underwater gliders and other components, all integrated into a national data-sharing program. And while it's expensive, it is well below the \$1.8 billion estimate given for a similar system by the U.S. Commission on Ocean Policy, an expert panel convened earlier this decade.

Eventually, investment could expand beyond physical monitoring and begin rigging buoys with advanced biological and chemical sensors that can detect phytoplankton, chlorophyll and nutrient pollution, said Muller-Karger, who served on the ocean commission. The panel's recommendations "are just as valid today as they were five years ago," he added.

NFRA's proposals would still fall short of building a truly predictive, full system, said Weisberg, the Florida oceanographer. The operating budget of the National Weather Service, some \$700 million, could be a comparable place to start, though the number Weisberg likes to throw out is \$1 billion in annual funding.

Most important to building out an observation system is to improve the relationship between university scientists and NOAA. Researchers have fed their Gulf models to NOAA -- data sharing that has already paid for itself in the Gulf, Scripps' Terrill said -- but the flow hasn't been reciprocal, Weisberg said.

"In my opinion, there really needs to be a serious discussion amongst the agencies and the academics just how we're going to do this," he said. "It requires embracing academics as a true partner. ... We know so little about the functionality of our own ocean. There's no reason not to embrace such a partnership."

















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Greenwire

2. OFFSHORE DRILLING: Deepwater companies pull up stakes, and

some may never return (06/03/2010)

Katie Howell and Mike Soraghan, E&E reporters

Walter Oil & Gas Corp. executives were within 9,000 feet of finding out if they would hit oil under the Gulf of Mexico. Now, they don't know if they will ever find out.

The company and its contractors had drilled about 12,000 feet down from a seabed located about 1,200 feet from the surface of the Gulf of Mexico, in Ewing Bank Block 834. The oil they were looking for was supposed to be at 21,000 feet.

But now the company is pulling up stakes, under Obama administration orders to put a halt to most deepwater drilling in the Gulf, where a BP PLC well has been stubbornly billowing crude since late April despite repeated attempts to plug or divert it.

"We'd spent millions and millions of dollars, and we don't know if we will ever have the opportunity to get a return on our investment," said Ron Wilson, a Walter manager.

Walter got official notice last Friday from the Minerals Management Service to start shutting down its operation, which is about 64 miles offshore. Wilson said Monday that operations on the rig would be shut down in "a handful of days."

Walter's is one of the rigs being shut down as part of a federal moratorium on deepwater drilling, part of the administration's response to BP's Deepwater Horizon spill. Interior Secretary Ken Salazar has blocked new permits for six months and suspended 33 deepwater operations, including Walter's. Drilling in waters less than 500 feet deep will be allowed to continue, as will production activity in deep waters (*E&ENews PM*, May 27).

Walter executives aren't sure whether the well will get drilled when, and if, deepwater exploration is allowed to resume.

They aren't alone. Chevron Corp., Royal Dutch Shell PLC and BHP Billiton have all announced shutdowns in the Gulf. When the Deepwater Horizon incident occurred, Melbourne, Australia-based BHP was running five drilling rigs in the Gulf at a cost of about \$1 million a day. Now, those five are sitting idle.

Rigs are typically owned and operated by a drilling company like Transocean Ltd., the company involved in the Deepwater Horizon incident, and rented out to exploration companies all over the world. Rig lease rates in the Gulf run at \$250,000 to \$500,000 a day, according to the Louisiana Mid-Continent Oil and Gas Association. That means rig operators could be losing between \$8.3 million and \$16.5 million a day.

And that figure doesn't include the \$1 million or so a day in lost revenue for supply-boat operators, welders, divers, transportation companies and other support services.

"There are a lot of nervous people out here," one offshore drilling engineer said.

Pleas from industry, Jindal

The Louisiana Mid-Continent Oil and Gas Association estimates that the six-month halt would have a significant impact on energy security and federal revenue, as well.

The moratorium would defer 4 percent, or 80,000 barrels a day, of expected deepwater production in the Gulf in 2011 and would likely make seven current discoveries not economical to produce, putting \$7.6 billion in future government revenues at risk.

"Considering that the deepwater regions generate 80 percent of the Gulf's oil production and 45 percent of its natural gas production, a six-month work stoppage will have severe and perhaps long-lasting impacts on our domestic energy supply and economic security," said Burt Adams, chairman of the National Ocean Industries Association.

"When you couple this no-less-than-six-month moratorium with the canceled Western Gulf lease sale, the potential for long-term job loss and economic hardship for the Gulf of Mexico looms even greater."

Twenty-two of those idled rigs sit offshore from Louisiana, and Louisiana's economic development department estimates that the current six-month drilling suspension could slash 10,000 jobs in the state. Gov. Bobby Jindal (R) says that's unacceptable.

"Already, Louisiana has suffered severe negative economic and ecological impacts from the BP oil spill," he said in a letter sent yesterday to President Obama and Salazar. "During one of the most challenging economic periods in decades, the last thing we need is to enact public policies that will certainly destroy thousands of existing jobs while preventing the creation of thousands more."

And while he said strict oversight of deepwater drilling is necessary, Jindal went on to ask that the federal government "move quickly to ensure that all deep-water drilling is in proper compliance with federal regulation and is conducted safely so that energy production and more importantly, thousands of jobs, are not in limbo."

As lost rig revenues mount for drilling companies like Transocean, Baker Hughes Inc., Halliburton Co. and Schlumberger Ltd., Jindal and industry insiders are worried the companies will move their equipment to other parts of the world.

"The announced moratorium of deep-water drilling activity creates a significant risk that many of these drilling platforms would be relocated to other countries," Jindal said in his letter.

The Offshore Marine Service Association says that if the rigs are moved to other parts of the world -- towing a rig to Brazil or western Africa takes only about a month -- it could be two to three years before they finish overseas commitments and come back.

The drilling companies are currently tied up in contracts with the exploration companies that have been forced to stop drilling operations, but *force majeure* provisions could allow them to be canceled if unforeseeable forces bear down on a business plan.

Cobalt International Energy Inc. invoked the *force majeure* provision in its contract with Diamond Offshore Co. for the Ocean Monarch drilling rig, which was ready to begin drilling at Cobalt's exploratory well in Garden Banks Block 959. The Houston-based company said it had already gathered all the necessary permits and insurance to start drilling when the administration announced the moratorium. It expects to spend about \$15 million as a result of triggering *force majeure*.

But the company hasn't given up on working in the Gulf -- yet. The company says it's planning to hire another drilling rig at the end of this year and to start drilling in early 2011.

Analysts at Jefferies & Co. say that more operators are likely to follow Cobalt's lead and declare *force majeure* on their current contracts.

Liability

Even if the moratorium is lifted and companies are allowed back to work, some worry new policies could be on their way that could devastate offshore drilling in the Gulf.

Some in Congress want to raise the spill-liability limit for offshore drillers to \$10 billion in economic damages. And some, as high up as Senate Majority Leader Harry Reid (D-Nev.), have said drillers should have unlimited liability (<u>E&E Daily</u>, May 19).

"That can't be covered," Walter's Wilson said. "There is not an insurance that will cover what we're reading about in the paper. Will there be one? I don't know. But it will be at such a cost, I don't know that companies like ours can afford to pay it."

Oil companies such as BP are legally on the hook for the full cost of containing and cleaning up a spill. But Congress capped companies' liability for economic damages -- people put out of work by the spill, fishermen who cannot fish, empty hotel rooms on the beach at high season -- at \$75 million.

And if Walter doesn't drill it, Wilson suspects larger companies won't be interested in buying out Walter's lease. It's smaller companies like his, he said, not the "super-majors" like Exxon Mobil Corp. or Shell, that take those kinds of risks.

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7. BUSINESS: BP chief Hayward faces uncertain job future (06/03/2010)

As the BP PLC well continues to spill oil into the Gulf of Mexico and the company sees its share price plummet, questions are circling about how long CEO Tony Hayward can keep his job.

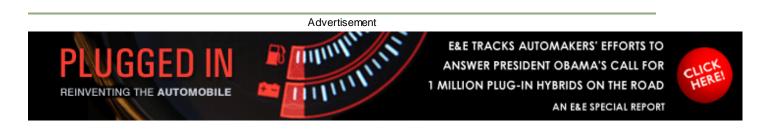
The company's board says it is "100 percent aligned" with Hayward in the disaster, and many feel that Hayward will stay on until the oil well is capped, which may not be for another two months. With the crisis continuing to worsen, it makes little sense for the company to bring in a successor who would also become tarnished. But Hayward's long-term prospects are hazy at best.

"After this incident, there'll be a need for a more independent executive to undertake a root-and-branch review of the company's safety processes," said one BP investor.

An in-depth investigation of the oil spill could alleviate pressure on Hayward if the blame is spread across a number of companies, including operator Transocean Ltd. and cement contractor Halliburton Co. Should criminal negligence be proved and BP end up with the responsibility, "I can't see how Hayward can survive," said an investor.

In addition to his company's repeated failures to cap the spill, Hayward has made some public gaffes. In an interview Sunday, he said he "wanted [his] life back," a comment he later called "hurtful and thoughtless."

At least publicly, those within the company have supported Hayward, with some executives saying they were impressed by his decision to personally manage the recovery. But the cost of the cleanup is already more than \$1 billion, on top of compensation claims from Gulf Coast residents. Investors are concerned that BP will be forced to cut its dividend, though the company has said that it is safe (Chazan/Faucon, Wall Street Journal, June 3). -- JP

















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8. GULF SPILL: Obama admin dismisses 'crazy' idea of nuking well (06/03/2010)

In the federal government's response to the Deepwater Horizon oil spill, the nuclear option is off the table.

Armchair experts have suggested that the United States could stop the flow of oil in the Gulf of Mexico by deploying a nuclear weapon. It has supposedly worked for the Soviet Union, which reportedly used nuclear blasts to melt rock and stop out-of-control gas wells.

"Probably the only thing we can do is create a weapon system and send it down 18,000 feet and detonate it, hopefully encasing the oil," Matt Simmons, a Houston energy analyst, told Bloomberg last week, attributing the idea to "all the best scientists."

Despite the chatter, neither Energy Secretary Steven Chu nor anyone else in the Obama administration has ever considered the idea, said Stephanie Mueller, a DOE spokes woman. Deploying a nuclear bomb beneath the Gulf of Mexico would be extremely risky, government officials and private-sector experts said, and it would also violate U.S.-championed arms treaties while President Obama is pushing for nuclear disarmament worldwide.

"It's crazy," a senior official said.

But is it just crazy enough to work? Some academics and scientists have found themselves considering an idea that once seemed unthinkable. In theory, the extreme heat from a nuclear blast could turn large expanses of rock into a glassy seal.

"Seafloor nuclear detonation," wrote Michael Webber, a mechanical engineer at the University of Texas, Austin, "is starting to sound surprisingly feasible and appropriate" (William Broad, New York Times, June 2). -- GN

















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June 3, 2010

Another Torrent BP Works to Stem: Its C.E.O.

By JAD MOUAWAD and CLIFFORD KRAUSS

BP, already bedeviled by an out-of-control well spewing millions of gallons of oil into the Gulf of Mexico, now finds itself with one more problem: Tony Hayward, its gaffe-prone chief executive.

Among his memorable lines: The spill is not going to cause big problems because the gulf "is a very big ocean" and "the environmental impact of this disaster is likely to have been very, very modest." And this week, he apologized to the families of 11 men who died on the rig for having said, "You know, I'd like my life back."

But rather than receiving a limited public role, Mr. Hayward, a geologist who has led the company for three years, has become even more the public face of the company. On Thursday, BP began showing a new television ad in which Mr. Hayward, speaking directly into a camera, pledges to spare no effort to clean up the spill.

It ends with a heartfelt promise: "We will get it done. We will make this right." (The same day, in an interview published in The Financial Times, he said, "What is undoubtedly true is that we did not have the tools you would want in your tool kit.")

Instead of reassuring the public, critics say, Mr. Hayward has turned into a day-after-day reminder of BP's public relations missteps in responding to the crisis, which began six weeks ago and looks likely to continue well into the summer.

Mr. Hayward and the company have repeatedly played down the size of the spill, the company's own role in the April 20 explosion of the Deepwater Horizon, and the environmental damage

that has occurred. At the same time, they have projected a tone of unrelenting optimism despite repeated failures to plug the well.

The chief executive's tendency to utter provocative statements has prompted a surge of criticism from politicians, bloggers and television pundits, who took particular offense at the "I'd like my life back" comment.

But Mr. Hayward, an earnest-looking man with cherubic red cheeks and a soft British accent, remains ever present in BP's response efforts.

One Louisiana congressman, Charlie Melancon, has started a petition campaign calling on BP's board of directors to fire Mr. Hayward, and financial analysts are increasingly predicting that he will get the boot before the crisis is over.

"People want to know someone is in charge, that the right person is there, but someone who says the stuff that Hayward has said doesn't engender confidence," said Sydney Finkelstein, a professor of strategy and leadership at Dartmouth University's Tuck School of Business. "We understand he is overwhelmed, but that also might suggest he's not the right man for the job."

Robert Wine, a BP spokesman, said that Mr. Hayward "has the full support of the board, and he is very much at the heart of the response managing everything we are doing."

Mr. Hayward, 53, ascended to the top job when his predecessor, John Browne, resigned after a personal scandal and a series of major accidents. Mr. Hayward promised to refocus the company culture on safety.

Much is at stake for BP, the top oil and gas producer in the United States and the largest deepwater operator in the Gulf of Mexico. The company has already spent about \$1 billion to deal with the accident, and it faces billions of dollars in additional damage claims and government penalties, with the liability growing every day that the leak continues. In addition, the Justice Department, an independent panel and numerous Congressional committees are investigating the company.

Shareholders are worried about the cost to the company, based in London, whose stock has fallen about 35 percent since the explosion.

To be sure, BP is facing an unprecedented technological and engineering challenge, battling formidable odds in trying to plug a damaged oil well in the darkness and pressure found 5,000 feet below the ocean surface. After several efforts to stop the oil flow failed, the company is now seeking to install a temporary dome to capture most of the spilled oil until it can drill two relief wells.

Those relief wells, which would be used to inject cement into the damaged well to permanently kill it, are not expected to be completed before August, and the environmental damage would linger well after that — which means that the company and Mr. Hayward face a public relations crisis that will last for many months.

The company has enlisted the help of the Brunswick Group, a public relations and crisis management firm, to deal with the accident. It has dedicated the home page of its Web site, BP.com, to the crisis and taken out full-page advertisements in major newspapers.

BP has also hired a new head of media relations in the United States, Anne Womack Kolton, who worked at Brunswick and is a former aide to Vice President Dick Cheney and Energy Department spokeswoman.

In Washington, BP has become a toxic political symbol that is a target on all fronts, even as it is seeking to work with the government get out of its current predicament.

Before the spill, BP had maintained a low profile in Washington relative to other companies, with its lobbying work and political contributions usually trailing other oil-and-gas giants like Exxon Mobil, Chevron and Conoco Phillips. Unlike many other companies with federal interests, BP kept most of its lobbying work in-house, although it had retained several prominent Washington lobbyists, including Ken Duberstein and Tony Podesta, to make its case on issues including tax incentives for gas production and climate control regulations.

From the start, BP promised to be transparent about the spill. But the company has wavered between providing information to the public and strictly limiting it. For example, it resisted for weeks putting up a live video feed of the underwater spill, agreeing to it only after intense pressure from Congress. The company has consistently refused to use widely used scientific techniques to measure the spill, saying it was focused on shutting down the well.

Administration officials and Congressional leaders have accused BP of hiding the true dimensions of the leak for financial reasons. Carol M. Browner, the White House energy and environment adviser, has noted that BP has a "vested financial interest" in minimizing the size of the leak because the fines the company will eventually pay will in part be based on the amount of oil that has escaped.

BP and the government initially estimated the well was leaking 1,000 barrels a day. But since then, government scientists have come up with a new and much larger rate of 12,000 to 19,000 barrels a day.

"They have tried to control the message, including controlling facts, because they have a direct financial interest in this," said David Pettit, a senior lawyer with Natural Resources Defense Council. "The government is letting BP clean up their own crime scene. On TV cop shows, they don't do that."

Perhaps trying to tamp down the outcry over his own comments, Mr. Hayward's remarks to reporters on Thursday in Houston were more tame. He promised that the company would clean up every drop of oil and "restore the shoreline to its original state."

The chief executive added: "We will be here for a very long time. We realize this is just the beginning."

Jad Mouawad reported from New York and Clifford Krauss from Houston. Eric Lichtblau contributed reporting from Washington and Stuart Elliott from New York.

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Gulf oil spill and the use of dispersants



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Since May 24, my Facebook friend Hugh Kaufman has had one persistent question about the response to the volcano of oil spewing under the Gulf of Mexico. "I would be grateful," he asked, "if someone could explain why millions of lbs. of useless toxic dispersant is being dumped into the Gulf, to add to the toxic loading?" Using

the oil-cutting chemical makes sense for a little spill. But for the thick cloud of ooze stretching its way across the Gulf Coast? Good question, Hugh. So I asked the folks at the Environmental Protection Agency.

An EPA official told me yesterday that while dispersants were "preapproved for deep water use," the agency is now "insisting that dispersants be used only in minimum amounts and that spraying of dispersants be an absolute last resort." On May 26, the EPA issued a directive to BP that dispersant spraying is the last resort and subsea dispersant use is limited to 15,000 gallons a day. According to an EPA official, "15,000 is much much less than BP was using." The agency said that surface burning, collection, booming and skimming "are much more effective and preferable to spraying dispersants."

Anticipating Hugh's question in response to that, I asked why use the stuff at all. "The goal here is to keep large slicks of oil from reaching shallow waters and destroying our estuaries, our wetlands and our way of life," the official said, noting that the beach-bound globs are a lot more toxic than dispersant. "It's a trade-off, but an informed one." This reflects the views of many environmentalists. As Lisa Suatoni of the Natural Resources Defense Council said in USA Today, "We can't get the oil out of the environment,...So we're left with a bunch of impossible choices.... Dispersants aren't a good thing, but they're used to try to direct the oil to the least bad place.'

I totally get it. It's a horrible choice. But, somehow, I don't think Hugh will be satisfied.

Update, 2:50p.m.: Hugh's not satisfied. Given his experience, can't say that I blame him. Here's what he wrote to me on Facebook. "Thanks Jonathan. As you probably would guess, I am heartbroken going against the Administration and NRDC on this stuff. But, after having done these kinda cases for 4 decades, and helping put together the EPA's programs to deal with this stuff, you are right. I won't stop till I've done everything I can, to help the 'innocent bystander civilians' get protected. P.S. The toxic dispersants have NOT stopped the oil from hitting the marshland, beaches, etc.'

By Jonathan Capehart | June 3, 2010; 7:27 AM ET Categories: Capehart | Tags: Jonathan Capehart



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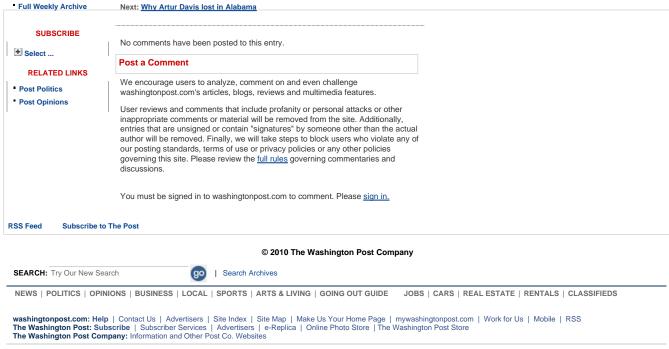
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As the oil spill spreads, BP battles to contain the media

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BP tries again to cap well as protests against oil giant set to start

By the CNN Wire Staff STORY HIGHLIGHTS

- NEW: BP in process of placing containment dome on ruptured well
- The latest attempt at cutting off the damaged pipe wasn't as precise as saw method
- Oil could continue gushing through the summer
- BP launches media campaign issuing apology; protests against BP to start Thursday

President Obama goes one on one with Larry King to talk about the oil spill, economic turmoil and war. "Larry King Live," at 9 p.m. ET Thursday on CNN.

Metarie, Louisiana (CNN) -- After days of reporting failures, BP made progress in containing a ruptured oil well Thursday when it was able to sever a damaged riser pipe.

The success, however, was tempered by the grim reality that oil could continue gushing into the Gulf of Mexico at least until August, when BP hopes to have a relief well in place.

An effort to slice off the pipe with a precision diamond-edged cutter failed Wednesday, forcing BP to settle for a rougher cut of the pipe made with shears. The more primitive cut means that a rubber seal will not be as tight as previously hoped, said U.S. Coast Guard Adm. Thad Allen, the federal government's response manager.

Allen said BP is now attempting to lower a containment dome over the ruptured well, after which it will begin siphoning oil a mile up to the surface.

He called Thursday's developments a "significant step forward," but the situation remained volatile.

"We'll have to see as we put the containment cap on exactly how effective it is," Allen told reporters Thursday. "It will be a kind of a test-and-adapt phase as we move ahead."

Even with a finer cut of the pipe, BP had predicted a 20 percent temporary increase of oil that was flowing into the ocean. After the pipe was severed Thursday, a live video feed from the ocean floor showed oil billowing out like an underwater smokestack.

CNN Live: Underwater video from BP

BP has said the cap would be a temporary solution until a more permanent relief well can be drilled in the ocean's depths.

The latest containment effort comes on day 45 of the disaster, as oil drifted eastward toward Florida and President Obama announced he will return to Louisiana on Friday to assess the latest efforts to counter the spill.

Meanwhile, BP, under fire from seemingly every angle, launched a national ad campaign to improve its tarnished reputation.

The beleaguered oil giant released television spots featuring Chief Executive Officer Tony Hayward, who apologizes and promises to "make this right."

Hayward stars in apology ad campaign

Even as the ads began to air, a grass-roots campaign dubbed Seize BP planned to kick off a week of demonstrations in more than 50 cities

"From Florida to Seattle, Washington, from Hawaii to New York, all over California and many, many states across the country, people will be taking to the streets over the next week to demand that the assets of BP be seized now," said Richard Becker, a member of the San Francisco chapter of the group.

"We know millions of people are deeply concerned about what's going on in the Gulf right now, and we expect large numbers of people to come out to the protests."

Anti-BP sentiment has grown as oil has made its way to or near coastal areas. It was feared that oil would come ashore on Florida beaches as early as Thursday.

In Louisiana, where oily sludge has been fouling coastal marshes for two weeks, state officials said the White House has given its blessing to a plan to dredge up walls of sand offshore and BP agreed to fund the \$360 million construction cost.

Federal officials raised concerns about the long-term environmental effects of what would effectively amount to building dozens of miles of new barrier islands off the state's coast, but Louisiana Gov. Bobby Jindal and other officials had pushed for approval of the plan as a last-ditch effort to prevent further damage.

Meanwhile, the government has now declared 37 percent of the Gulf off limits for fishing.

The BP well erupted after an explosion and fire on the leased Deepwater Horizon drilling rig on April 20 that killed 11 people. The rig sank two days later, leaving up to 19,000 barrels (798,000 gallons) of oil pouring into the Gulf, according to federal estimates.

CNN's Kyra Phillips, David Mattingly, Tracy Sabo, Patrick Oppmann, Scott Bronstein, Patty Lane and Aaron Cooper contributed to this report.

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Confusion over Obama administration's restrictions for drilling in Gulf of Mexico

By The Times-Picayune

June 03, 2010, 1:29PM



AP Photo / J. Scott Applewhite

Interior Secretary Ken Salazar tells reporters that the Obama administration is proposing to split up an Interior Department agency that oversees offshore drilling, the Minerals Management Service, as part of its response to the Gulf Coast oil spill, at the Department of the Interior headquarters in Washington in May.

The Washington Post is now reporting that "The Interior Department denied that it has extended a drilling freeze to shallow waters of the Gulf of Mexico, contradicting an e-mail written earlier Thursday by the head of the Minerals Management Service's supervisor of field operations for the Gulf of Mexico.

The e-mail from the Gulf Coast office of the Minerals Management Service, which oversees offshore drilling, says that "until further notice" no new drilling is being allowed in the Gulf, "no matter the water depth." A copy of the e-mail was obtained by The Associated Press.

An Interior Department spokesman said "shallow water drilling may continue as long as oil and gas operations satisfy the environmental and safety requirements Secretary Salazar outlined in his report to the President and have exploration plans that meet those requirements. There is no moratorium on shallow water drilling."

The announcement came a day after the MMS granted a new drilling permit for a site about 50 miles off the Louisiana coast, 115 feet below the ocean surface. Environmental groups said the

administration was misleading the public by allowing work to resume in waters up to 500 feet deep while maintaining a moratorium on deepwater drilling.



Obama Administration sends BP \$69 million bill for clean-up efforts for Gulf oil spill

By The Times-Picayune

June 03, 2010, 2:17PM

The Obama Administration has sent **BP** and other responsible parties a bill for \$69.09 million to cover cleanup operations so far related to the **Gulf oil spill**.

The cost is expected to rise as the cleanup and containment efforts continue.

The administration "will continue to bill BP regularly for all associated costs to ensure the Oil Spill Liability Trust Fund is reimbursed on an ongoing basis," the administration said in a news release on the website of the Unified Command for Deepwater Horizon spill response, **www.deepwaterhorizonresponse.com**.

The news release said BP, as a responsible party, is financially responsible for all costs associated with the response to the spill, "including efforts to stop the leak at its source, reduce the spread of oil, protect the shoreline and mitigate damages, as well as long term recovery efforts to ensure that all individuals and communities impacted by the spill are made whole."

BP has said it would pay the costs of the cleanup, as well as costs for businesses and individuals impacted by the oil.

The news release said the federal government will bill BP and the other responsible parties periodically for costs to support federal, state, and local response efforts.

"The Administration expects prompt payment and will take additional steps as necessary to ensure that BP and other responsible parties, not American taxpayers, pay all of the costs associated with the BP/Deepwater Horizon Oil Spill," the news release said.



Two birds rescued from Gulf oil spill to be released into wild today

By The Times-Picayune

June 03, 2010, 1:48PM

Two rehabilitated birds that were rescued from the oil spill area are set to be released into the wild this afternoon, far from the massive oil slick in the Gulf of Mexico.

The U.S. Fish and Wildlife Service and the Louisiana Department of Wildlife and Fisheries will release the birds in the Sherburne Wildlife Management Area in Iberville Parish.

Dr. Sharon Taylor, a U.S. Fish and Wildlife Service Wildlife veterinarian, and Robert Love, an official with the Louisiana Department of Wildlife and Fisheries Coastal & Non-game Resources Division, will release the birds.

A news release from the Deepwater Horizon incident joint information center did not specify the type of birds or where they were found in the oil spill area.



"Listening session" for oil spill response set for tonight in Grand Isle

By The Times-Picayune

June 03, 2010, 1:25PM

A community "listening session" featuring representatives of BP and some federal agencies will be held tonight in Grand Isle.

The event begins at 6 p.m. at the First Baptist Church, 129 Cedar Lane.

The event is sponsored by Bayou Interfaith Shared Community Organizing and is expected to be attended by BP and the federal agencies that are working on the Deepwater Horizon spill, according to a news release on BP's oil reponse web site, http://www.louisianagulfresponse.com/go/site/3047/.

For more information, call Sharon Gauthe, BISCO Director, at 985.438.2148, or Patty Whitney at 985.859.3214.



Gulf oil spill could reach Atlantic coast and beyond, study suggests

By Times-Picayune Staff

June 03, 2010, 1:08PM

A study released today, based upon computer models, shows that oil from the **Gulf of Mexico spill** could **extend up the Atlantic coast** of the United States and into the open ocean this summer.

The computer simulations show that, once the oil reaches the Gulf's Loop Current, it will reach Florida in a matter of weeks. It will then be carried as far north as Cape Hatteras, N.C., and east from there. The models do not indicate if the oil will be on the surface or submerged.

The research was conducted by the National Center for Atmospheric Research and other collaborators, supported in part by the National Science Foundation.

"The modeling study is analogous to taking a dye and releasing it into water, then watching its pathway," says NCAR scientist Synte Peacock.

Peacock stressed that these simulations are not a forecast, as it is impossible to predict the precise location of oil weeks or months ahead. Rather the results should be interpreted as "possible scenarios" of the oil's path. They suggest a range of possible trajectories for the oil.

Oil has been spilling into the Gulf of Mexico since the explosion and fire aboard the **Deepwater Horizon rig** on April 20. So far the oil has remained close to the Louisiana and Alabama coasts.

Using six different models, each based upon distinct Loop Current characteristics, all results show the oil moving to south Florida and then up the east coast. What differs is the timing of the oil's movement.



full size

NASA / The Associated

A large patch of oil visible near the site of the Deepwater oil spill on May 17, and a long ribbon of oil stretched far to the southeast, entering the so-called loop current, a stream of fast moving water that circulates around the Gulf before bending around Florida and up the Atlantic coast.

Further studies are underway to determine what will happen to the oil once it is in the Atlantic.

The scientists are using the Parallel Ocean Program, the ocean component of the Community Climate System Model, which was developed by NCAR in conjunction with the Department of Energy.

The six model simulations are available at http://www2.ucar.edu/news/oil-spill-animations.



Thursday, June 3, 2010 7:30 AM EDT

Oil nears northwest Florida

By Joseph Picard

With oil slicks from the catastrophic Deepwater Horizon leak sloshing around approximately ten miles from shore, the Florida panhandle is bracing for a gooey, appalling landfall, which could occur as early as today.

"We've got plans in place to deal with this as best we can," said Pat Behnke, spokesperson for the Florida Fish and Wildlife Conservation Commission. "We have hotlines for the public to contact us if they see wildlife in distress due to the oil. We advise the public to call and not try to save animals themselves. They could do more harm than good. We have training in how to clean seabirds, turtles and other affected animals."

Behnke said the oil, as of June 1, was about 10 miles from the coasts of northwest section of the state, which is abundant in habitats for seabirds and a wide variety of aquatic and semi-aquatic creatures. She added that winds and water currents, which are highly unpredictable, will determine where and when the oil reaches the shore.

"This is unprecedented in Florida, so much of what we have prepared to do to rescue wildlife is based on what has happened in comparable disasters in other parts of the world," she said.

Governor Charlie Crist, on June 2, launched another part of the effort to assist the Sunshine State by requesting "commercial fishery failure" status for Florida from the U.S. Department of Commerce.

Crist's letter to Commerce Secretary Gary Locke said that in addition to the real threat to fisheries and coastlands of the panhandle region, public perception of what the monstrous, still-unplugged leak may be doing to Florida's waters and shores has had "severe economic impacts throughout the state."

Commercial fishery failure status will allow additional federal funds and technical assistance to reach the state. Lousiana, so far the Gulf state most devastated by the leak, has already received such status. Florida has deployed booms and skimmers, and taken numerous other steps, to try to control and reduce the impact of the slicks.

According to published reports, oil from the gouged Deepwater Horizon well has been spotted along the barrier islands of Alabama and Mississippi. Approximately 125 miles of Louisiana coastline has already been polluted by oil from what is being acknowledged as the greatest oil leak catastrophe in U.S. history. The conservative estimate is that between 12,000 and 19,000 barrels of crude, at 42 gallons per barrel, is hemorrhaging into the Gulf of Mexico every day. All attempts to plug the leak, which is about a mile under water, have so far failed. The well, owned by BP, exploded on April 20.

Richard Snyder, professor at the University of West Florida's Center for Environmental Diagnostics and Bioremediation agreed that "the perception of the oil is as bad as the oil itself" for the state's huge tourism and recreational fishing

industries.

"People are cancelling vacations, and they're not eating seafood," Snyder said, noting that most of the state's west coast and all of its east coast have not yet been affected, and may indeed avoid an oily landfall.

"But we have serious toxicity issues for biota in the waters and coastal habitats of the panhandle," he said.

Snyder said the use of dispersants to break up the oil slicks is a "double-edged sword."

On the one hand, he explained, the chemical agents degrade the oil and eventually help to get rid of it. On the other hand, while dispersants may remove the sight of floating slicks from aerial cameras, the broken up oil is still toxic and now more readily available to larger populations of plankton, fish and crustaceans, so that it works more harm before accomplishing any good.

"The immediate impact is to fisheries and tourism," Snyder said. "As for the long-term impacts, we know there will be some, but we cannot gage the degree. We are looking at a subtle, intractable and general degradation of the Gulf of Mexico."

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Florida senator calls on Obama to do more to contain oil spill

By Alexander Bolton - 06/03/10 11:59 AM ET

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Sen. Bill Nelson, a Democrat from Florida, has called on President Barack Obama to do more to contain the fallout from the Gulf oil spill.

Nelson on Thursday called for the White House to send more military assets to the Gulf before the giant oil slick hits Florida's beaches.

"This is the largest environmental disaster in our nation's history," Nelson said in a statement. "If this doesn't call for more organization, control and assets like sub-sea mapping by the Navy, for instance — then nothing does."

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Florida Gov. Charlie Crist said Wednesday the oil could begin washing up on the Florida coast later this week.

Nelson has cited a call by former Secretary of State Colin Powell for Obama to show more decisive force in combating the spill.

Powell called on the administration to use "decisive force to

demonstrate that it's doing everything it can," during a television interview over

Nelson has pushed legislation to raise the liability cap that protects BP from paying more than \$75 million in economic and environmental damages. Nelson wants BP to be fully liable for the disaster.

Comments (12)

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What does he want the militart to do? shoot the oil spill. What needs to be done is less Govt. interference and showing Govt. will work with BP to fix the problem. This is just political posturing by Democraits.Lead, Follow or get out of the way.William Dennis

BY WILLIAM DENNIS on 06/03/2010 at 12:16

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If our military were given the mission, it could easily seal the wellhead with an explosive charge at the source. We are talking about a 20 inch pipe leading to the oil reserve two and a half miles below the seabed. The problem is no one will allow drilling there again and the billions in profit will be lost. How can anyone say our military is not capable of doing this? How naive! The debris at the source will easily seal the well. BP is just trying to protect the well. They don't want it damaged.

BY SFC CARRIER on 06/03/2010 at 12:36

instead of taking calls from the governor in Louisiana and meeting with the National $\,$ Oceanic and Atmospheric Administration, he's gone hollywood to include a director in the mix with scientists. ayyyyy-yiiiiii-yi!!!!

BY THIS IS NOT A MOVIE on 06/03/2010 at 12:44

Hey guys, come voice yourself opinions over at http://thepartisandialogues.com/PoliticalDiscussions.cfm . Republicans, Democrats, and Independents are all welcome

BY JACK on 06/03/2010 at 12:55

Mr, Bill left his brain in space when he was up there for a short time.ROBERT BLAKE FLORIDA

BY ROBERT BLAKE on 06/03/2010 at 12:59

ATTENTION FLORIDA VOTERS: please remember and remind your friends of Obama's miserable, lazy, and failed response to this epic disaster when he comes trolling for your vote. Remember that Obama was playing golf while the oil spill was spewing and sea birds were drowning in thick oil.

BY FLORIDA REJECT OBAMA on 06/03/2010 at 13:00

I got an idea...maybe Obama could make a speech, swear he "won't rest until the problem is solved", then do a fundraiser, go play golf and take a vacation. Next problem..

BY SPIN CONTROL on 06/03/2010 at 13:06

FACT: The Coward-Liar-Hypocrite-in-Chief Obozo, asked the American People on Friday to STILL visit The Gulf Coast to Show Support before heading to ChicagoLand for the 3 day Memorial Day weekend! WHY not STAY in the Gulf, WITH YOUR FAMILY MORON!!! That would involve Leading By Example and Real Leadership, something This Man-Child has NO Clue About! Google

BY VOTE DEMSOUT 2010/12 on 06/03/2010 at 13:13

SFC Carrier, the reason they haven't blown up the pipe is because they're afraid they would just make a bigger hole.

BY ALLEN on 06/03/2010 at 13:23

FACT: E-mails released by the House Energy and Commerce Committee show BP Admitted to OBAMA's Government Regulators they were having trouble maintaining control of the DEEP HORIZON Oil Well "SIX" weeks before the Deep Horizon Exploded killing 11 Americans in the Gulf of Mexico, Bloomberg reported. Google Lefties/Progressives if You Dare!

BY VOTE DEMSOUT 2010/12 on 06/03/2010 at 13:38

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'Significant step' toward oil capture reported as Obama to visit Gulf again

By Ben Geman - 06/03/10 12:10 PM ET

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The U.S. Coast Guard official overseeing the BP oil spill response said Thursday that the company had made a "significant step forward" in its latest effort to contain the leak.

Adm. Thad Allen, the national incident commander, said BP was able to cut through a riser pipe and will soon attempt to move a containment device into place that is designed to capture oil from the ruptured undersea well. The company hopes to do that today.

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Progress in the "cut-and-cap" effort comes as President Barack Obama prepares to make his third trip to the Gulf Coast - and his second in a week — since the April 20 explosion of the Deepwater Horizon rig that touched off the spill. The White House said he will visit Louisiana on Friday to assess the latest efforts.

BP was able to cut off the riser pipe Thursday using giant remote-controlled shears after a diamond saw become stuck the day before. Allen acknowledged that the resulting cut is more jagged than officials had hoped, which could make it more difficult to achieve a firm seal around the pipe.

Allen said it was unclear how much oil might still leak after the containment structure to funnel oil to the surface is in place. It could be close to none if they are "lucky," he said.

"The amount of oil that might get through that seal is something we are just going to have to determine as they put this thing down over the riser pipe and get the best fit they can," Allen told reporters at a briefing outside New Orleans.

Allen also acknowledged that rough weather in the Gulf this summer could disrupt the oil capture operation while the more permanent solution — relief wells being drilled by BP — is readied.

"Until the relief well is done and the well is capped we are still going to be at some risk of exposure to weather, even if it is not a hurricane — heavier weather

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could force us to stop doing certain operations," Allen said. The Atlantic hurricane season began June 1.

He noted that officials are exploring the use of larger platforms that can sustain heavier weather, but added, "At some point we need to face the possibility that [under] a certain storm condition, we would have to stop the containmentrecovery operation and get those resources off there for safety purposes."

The first of the relief wells is on target for completion in mid-August, Allen said.

The announcement of another Gulf visit by Obama underscores White House efforts to counter political attacks on the strength of his response to the spill.

White House officials have been emphasizing, whenever they can, that they are in control of the response.

"It is important, I think, for people to understand that BP cannot do anything without the administration's agreement, and so if an idea is put forward that our brain trust, our scientists, are not comfortable with, they are told that. They do not proceed," White House climate and energy adviser Carol Browner said in a National Public Radio interview that aired Thursday morning.

Allen said federal scientists are investigating whether there are large plumes of oil under the water - something BP has questioned.

"We have had some anecdotal reports from research vessels from universities of dense plumes or what they believe to be plumes under the water," he said. "We are in the process of taking samples and trying to figure out what they are."

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something is better than nothing, but I'm afraid the genie that has escaped will cause problems for years to come...the common people in the gulf have all Americans deepest sympathies..

BY MICHAEL R on 06/03/2010 at 12:33

The American people will be dealing with the after effects of this spill for decades. We will always remember that Obama was playing golf and criticizing the good citizens of Arizona instead of stopping the leak

BY SHEILA SOCCER MOM on 06/03/2010 at 12:56

Thats not a significant step at all. What a joke that the media / bp is even trying to pull this out as something that matters. STOP IT COMPLETELY AND THEN WE WILL CARE FOOLS. In the mean time, check out http://www.thepartisandialogues.com converse with fellow dems and repubs about this event

BY SWEETNESS on 06/03/2010 at 12:57

Obama could make another speech, blame BP and Bush as he takes full responsibility. Then promise he "won't rest until the problem is solved" then do a fundraiser, play golf, attend a concert and take a vacation. All the while Gibbs can duck questions on meddling in state elections as the deficit explodes. Somewhere in there we need to funnel aid to unions as oil keeps flooding the Gulf of Mexico. Thanks goodness we have Obama on the job...btw, all these folks blotting up oil is just what Obama needs to increase employment for better numbers going into November elections...Obama should thank BP.

BY SPIN CONTROL on 06/03/2010 at 13:11

FACT: The Coward-Liar-Hypocrite-in-Chief Obozo, asked the American People on Friday to STILL visit The Gulf Coast to Show Support before heading to ChicagoLand for the 3 day Memorial Day weekend! WHY not STAY in the Gulf, WITH YOUR FAMILY MORON!!! That would involve Leading By Example and Real Leadership, something This Man-Child has NO Clue About! Google

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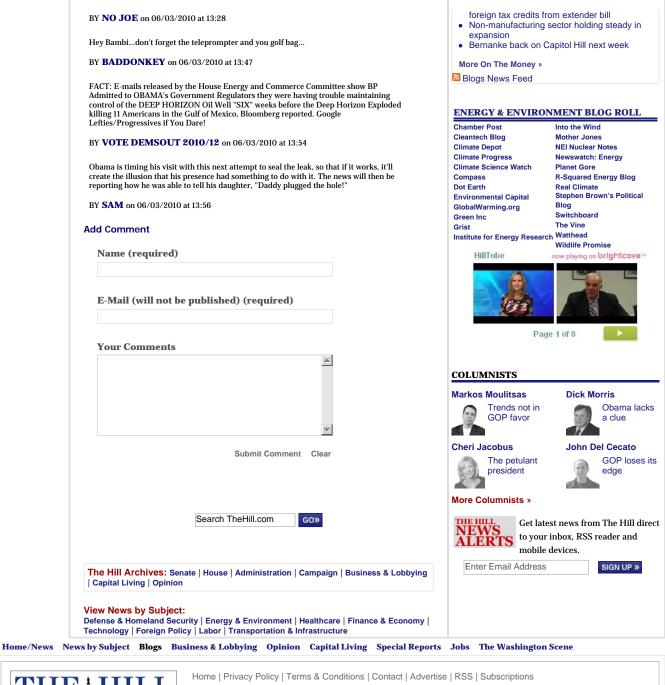
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A review by The Hill of gift reports on file at the Office of Government Ethics

shows oil and gas companies picked up the tab for tours by federal officials of

BP paid for agency officials' trips, meals

BP and others in the oil and gas industry have paid for dozens of

trips and meals for officials at federal agencies deeply involved in

Washington's response to the catastrophic Gulf of Mexico oil spill.

offshore oil rigs in the Gulf along with oil facilities in Alaska.

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Companies and industry trade groups took care of food and lodging for officials and also paid for them to attend business conferences. The records cover gift reports filed by employees at the **Environmental Protection** Agency (EPA), the Interior Department and the Homeland Security Department, which all have dealings with oil and gas

companies.

The bulk of the trips occurred under President George W. Bush's administration. Only two industry-funded trips took place during the first nine months of President Barack Obama's administration.

BP, the company at the center of what has been called the worst environmental disaster in U.S. history, picked up the highest tab for gifts to government officials among oil companies, according to the reports.

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BP and its affiliates - BP America and BP

Exploration — show up in the gift reports at least 16 different times, paying for meals as well as for oil and gas industry seminars and tours of oil facilities. The cost of the gifts totaled more than \$7,200.

In June 2004, BP paid for meals and airfare for a trio of Interior Department officials, including then-Deputy Secretary J. Steven Griles, while they visited an offshore oil rig off New Orleans. BP split the cost with the National Ocean Industries Association.

Griles later pleaded guilty to obstruction of justice for his involvement in the Jack Abramoff lobbying scandal, and was sentenced to 10 months in prison.

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In February 2005, then-Interior Secretary Gale Norton and then-Minerals Management Service (MMS) Director Johnnie Burton attended a dedication ceremony for BP's Thunder Horse oil rig off the coast of Texas. BP paid for travel and meals for the officials.

BP also paid for airfare and lodging in 2006 and 2007 for a trip by officials from the Fish and Wildlife Service to Prudhoe Bay, Alaska, for "maintenance of video surveillance at polar bear den" and a "polar bear study," according to documents.

In August 2004, six EPA officials attended a meeting on Alaska's North Slope near Prudhoe Bay, where they stayed at BP facilities. In 2006, BP was responsible for a large oil spill in Prudhoe Bay.

Since the spill, Obama has taken a hard line against the federal agencies overseeing oil drilling in the Gulf. His administration has proposed splintering MMS into three different agencies. During a press conference last week, Obama said the agency "had been plagued by corruption for years."

According to The Hill's review, MMS officials received compensation from the oil and gas industry six times, mostly to attend industry conferences, at a cost of over \$3,200.

MMS has been under heavy scrutiny since the Interior inspector general's office issued a report last week that found many agency employees at its Lake Charles, La., district office had taken gifts from the oil and gas industry for several years up to 2007.

"Through numerous interviews, we found that a culture of accepting gifts from oil and gas companies was prevalent throughout the MMS Lake Charles office," acting Inspector General Mary Kendall wrote in the report.

Some employees had also used illegal drugs and had pornographic images stored on their office computers, the report found.

Overall, the review of gift reports shows oil and gas companies, along with their respective trade associations, picked up the tab on 62 different occasions from 2004 to 2009 for Bush administration officials from EPA, Interior and Homeland Security. (That data includes a gap: The Office of Government Ethics could not provide gift reports for several smaller agencies within the Interior Department from April 2008 to September 2008.)

The amount of money spent on those trips and meals is more than \$35,900, a paltry amount when compared to the political donations provided by the oil and gas industry to presidential candidates and lawmakers in both parties. Already for the 2010 election cycle, those in the oil and gas industry have given more than \$12.7 million in campaign contributions, according to the Center for Responsive Politics.

Still, watchdog groups say the trips and meals can contribute to a cozy relationship between industry representatives and the regulators meant to police them.

"As a regulator, if you're getting some really nice exotic trips paid for in full by the petroleum industry, an industry you're supposed to be regulating, I think that does present serious conflicts of interest because you're creating personal financial incentives for employees to treat the company favorably, to continue receiving access to these kind of trips," said Tyson Slocum, director of the energy program at Public Citizen.

Slocum said that the filings, which are compiled every six months and are available on request, "ought to be reported in a more timely basis and be made proactively available ... online" to allow for full transparency.

It is unclear exactly why so few industry-funded trips show up during Obama's

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Markos Moulitsas

Dick Morris

term, though administration officials credit an executive order on ethics the president signed in January 2009, which implemented more stringent enforcement of existing ethics rules.

"We have heard a lot from people who are barred by our new ethics enforcement policy from attending these events," said a senior White House official who requested anonymity.

"Due to the administration's strictest ethics policy ever, these activities have not occurred under Secretary [Ken] Salazar's leadership," said Kendra Barkoff, an Interior Department spokeswoman.

"Under the Obama administration and the leadership of Administrator [Lisa] Jackson, EPA employees are held to a high standard of accountability, transparency and ethical standards," EPA said in a statement.

But ethics experts said Obama's new ethics policy does not specifically prevent administration employees from accepting reimbursements from companies for trips.

"This executive order does essentially nothing in connection to travel," said Tara Malloy, associate counsel for the Campaign Legal Center. "The executive order requires every appointee in this administration to take a pledge not to accept gifts and abide by various revolving-door restrictions."

The White House official said there will be "occasions" where a trip will be allowed because there is a strong official purpose and it is in the public interest.

"The government should be able to communicate to all Americans," the official said. "But there should be much, much less of that, and there is much, much less of it because of our new rules as well as the tougher enforcement of the existing rules."

Comments (29)

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Obama from Chicago is appalled at buying some trips and lunches for government employees . He has never seen such small time corruption. He wouldn't be pushing his cap and tax plan again, would he? Public Servants hope to do pretty well on this idea. I guess Fannie Mae has a patent on the something to do with it and trading of carbon will happen in Chicago , I believe. Gore has made out pretty well , I believe. What a bunch of con men!

BY RFPZZZZZ on 06/03/2010 at 06:40

Everytime there is a disaster the same story comes up, federal inspectors in bed with the company. I,m sure these favors exisit in the coal industry. Aren't these gov't employees given expenses for meals and lodging. As for drugs and porn Gov't employees are not exactly the roll up your sleeves go getters. Especially now with the counter culture in washington.

BY **DAVPAGS** on 06/03/2010 at 07:12

Loved this part - we all know the US government under Bush was owned by the oil and gas industry: "The bulk of the trips occurred under President George W. Bush

BY I.AI.AW on 06/03/2010 at 07:17

And all BHO what's to do is 'review' the situation...How about an investigation and a criminal one at that.

BY **DOGGIE DADDY** on 06/03/2010 at 07:20

This is a crime and needs to be treated that way. www.oilspillsyndrome.com

BY JON on 06/03/2010 at 07:28

You show me a government official and I will show you someone with there hand out. This is good old boy politics at its finniest you scratch my back and I will scratch yours. I would like to go to Hawaii so if you could help me out I will return the favor latter on. As to the inspectors o that not all that bad just a minor thing go ahead you can correct it later. This is how small things add up to lead to large, huge problems. So if you want to blame someone start with Government and there GREED. This is why we have such a problem in



Trends not in GOP favor

The petulant president



Obama lacks a clue

John Del Cecato



GOP loses its edge

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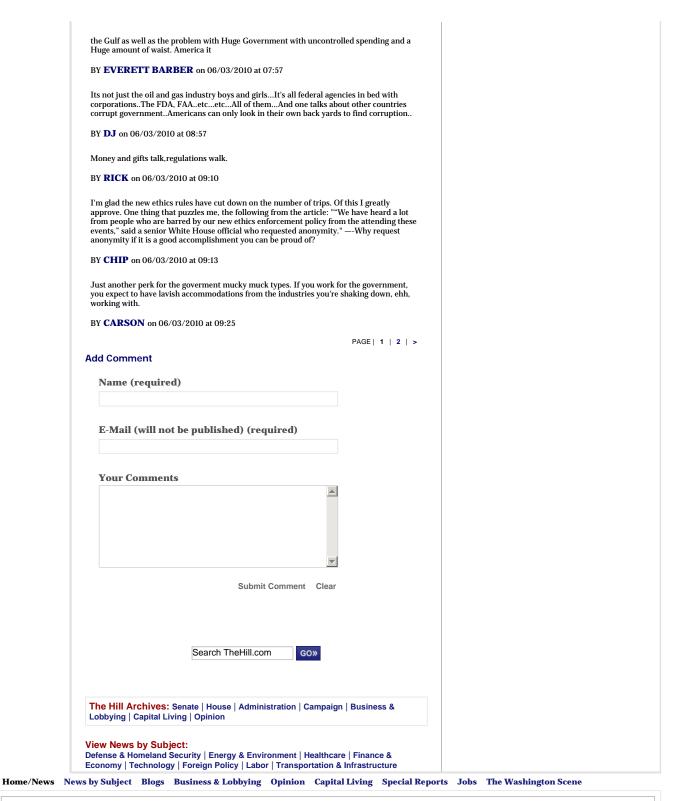


Cheri Jacobus

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BP cuts leaking oil pipe; protests set to start

By the CNN Wire Staff STORY HIGHLIGHTS

- NEW: Government's response manager: Development is a "significant step forward"
- Next step is to place a containment dome over the well
- BP launches media campaign issuing apology; protests against BP to start Thursday
- BP turned to less-precise shears after diamond cutter failed

President Obama goes one on one with Larry King to talk about the oil spill, economic turmoil and war. "Larry King Live," at 9 p.m. ET Thursday on CNN.

(CNN) -- In its latest attempt to contain the undersea oil gusher in the Gulf of Mexico, oil company BP on Thursday sliced off the top of a damaged riser.

Coast Guard Adm. Thad Allen, the federal government's response manager, called the development a "significant step forward." Next, BP will attempt to capture the oil by lowering a containment dome over the ruptured well and start siphoning the oil to the surface, he said.

BP is entering a "test and adapt" phase after it failed Wednesday to make a more precise cut of the leaking pipe, Allen said. Instead, the oil company had to settle for a rougher cut, making a tighter seal less likely.

Despite the progress reported Thursday, it's unclear how much oil, if any, will continue to flow out of the ruptured undersea well, Allen said.

The latest containment effort comes on Day 45 of the disaster, as BP, under fire from seemingly every angle, launched a national ad campaign that continued Thursday with television spots featuring Chief Executive Officer Tony Hayward issuing an apology and promising to "make this right."

Hayward stars in apology ad campaign

President Obama will return to the Louisiana Gulf Coast on Friday "to assess the latest efforts to counter the BP Deepwater Horizon oil spill," according to a White House statement released Thursday.

Meanwhile, a grass-roots campaign dubbed Seize BP planned a week of demonstrations that will begin Thursday in more than 50 cities.

"From Florida to Seattle, Washington, from Hawaii to New York, all over California and many, many states across the country, people will be taking to the streets over the next week to demand that the assets of BP be seized now," said Richard Becker, a member of the San Francisco, California, chapter of the group.

"We know millions of people are deeply concerned about what's going on in the Gulf right now, and we expect large numbers of people to come out to the protests."

Anti-BP sentiment has grown as oil has made its way to or near coastal areas. It was feared that oil would come ashore on Florida beaches as early as Thursday.

BP went back to the drawing board Thursday to try and place the cap, or "top hat," on the breached well. It abandoned the diamond cutter plan when the device got stuck midway through the pipe. It was freed and taken to the surface, Allen told CNN.

CNN Live: Underwater video from BP

But the new attempt to cut the pipe did not allow for a snugly fit containment dome. Allen said some oil could continue leaking from that well through the summer until BP is able to put relief wells in place.

"They need to be relentless to try and contain this leak because we shouldn't have to wait until August," Allen said.

In Louisiana, where oily sludge has been fouling coastal marshes for two weeks, state officials said the White House has given its blessing to a plan to dredge up walls of sand offshore and BP agreed to fund the \$360 million construction cost.

Federal officials raised concerns about the long-term environmental effects of what would effectively amount to building dozens of miles of new barrier islands off the state's coast, but Louisiana Gov. Bobby Jindal and other officials had pushed for approval of the plan as a last-ditch effort to prevent further damage.

Meanwhile, the government has now declared 37 percent of the Gulf off limits for fishing.

The BP well erupted after an explosion and fire on the leased Deepwater Horizon drilling rig on April 20 that killed 11 people. The rig sank two days later, leaving up to 19,000 barrels (798,000 gallons) of oil pouring into the Gulf, according to federal estimates.

CNN's Scott Bronstein, Aaron Cooper, Patty Lane, David Mattingly, Patrick Oppmann, Kyra Phillips and Tracy Sabo contributed to this report.

Find this article at: http://www.cnn.com/2010/US/06/03/gulf.oil.spill/?hpt=Sbin
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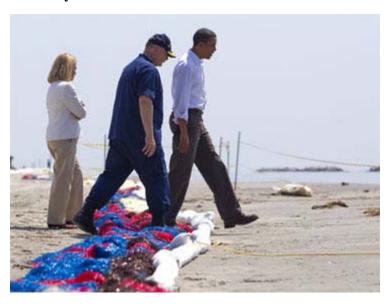


Political Hotsheet

June 3, 2010 11:55 AM

Obama Returning to Gulf Coast Tomorrow

Posted by Mark Knoller



President Barack Obama, LaFourche Parish
President Charlotte Randolph, left, and U.S. Coast
Guard Admiral Thad Allen, National Incident
Commander for the BP Deepwater Horizon oil spill,
step over booms laid out to protect the beach from
oil during a tour of areas impacted by the Gulf Coast
oil spill, Friday, May 28, 2010, in Port Fourchon, La.

Criticized for not displaying enough public concern about the BP oil leak and its impact, President Obama returns to the Louisiana Gulf Coast tomorrow for another visit.

A White House statement says Mr. Obama wants to "assess the latest efforts to counter the BP Deepwater Horizon oil spill."

It'll be his 3rd visit since the April 20th explosion on the Transocean oil rig that triggered the calamitous underwater leak.

"Man, you've got to get down here and take control of this," said Democratic political strategist James Carville after Mr. Obama's 2nd visit to the scene last week. "We're about to die down here."

Carville contends that Mr. Obama and his Administration were not doing enough to assist residents of the Gulf Coasts who have lost their livelihoods to the oil leak.

Other supporters of Mr. Obama, including pundits who usually take his side, have been increasingly critical of his handling of the environmental disaster.

On his 2nd visit last Friday, Mr. Obama tried to be seen reaching out to area residents.

"I am here to tell you that you're not alone. You will not be abandoned. You will not be left behind," he said, after meeting with Louisiana state and local officials.

Mr. Obama wants to be seen fully engaged in responding to the oil leak and in recent days mentions it in almost every public appearance.

"Right now, stopping this oil spill and containing its damage is necessarily the top priority not just of my administration but I think of the entire country," Mr. Obama said yesterday at the start of a speech on the economy delivered at Carnegie Mellon University in Pittsburgh.

He called the oil leak "the worst environmental disaster of its kind in our nation's history" and said his Administration is waging a battle against it "every minute of every day."

His visit to the scene tomorrow is intended to illustrate that claim.

The visit will come on Day 46 of the incident. During that same period of time after Hurricane Katrina, then-President Bush had made eight visits to the Gulf Coast or hurricane-related sites.

Political Fallout from Leak Still Hounds Obama

BP CEO: We Were Unprepared for Gulf Disaster

Workers Complain of Flulike Symptoms

BP Cuts Pipe, Set for Latest Cap Attempt

Workers Complain of Flulike Symptoms

Backlash Against BP Grows Nationwide

Pressure Mounts After Latest BP Snag

No Shortage of Ideas to Fix Oil Leak

Special Report: Disaster in the Gulf



Mark Knoller is a CBS News White House correspondent. You can read more of his posts in Hotsheet <u>here</u>. You can also follow him on Twitter here: <u>http://twitter.com/markknoller</u>.

What's Your Take? Awesome1Shocking2Infuriating5Important6 Connect with CBS News<u>FacebookTwitterX</u>



Printer-friendly story Read more at caller.com

Website offers link for oil spill volunteers

Website of U.S. Rep. Ortiz offers link

By Fanny S. Chirinos

Originally published 02:23 p.m., June 3, 2010 Updated 02:28 p.m., June 3, 2010

CORPUS CHRISTI — Volunteers who want to help with oil spill efforts in the Gulf of Mexico can find out how by visiting ortiz.house.gov, the website of U.S. Rep. Solomon P. Ortiz, D-Corpus Christi.

The congressman said in a news release Thursday that many South Texans had contacted his office asking for information on how to help with cleanup. Links provided on the website give information on animal rescue, clean up efforts and the Deepwater Horizon Response Center phone lines.



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msnbc.com BP slices oil pipe in 'significant step forward'

Irregular cut may hamper placing cap on gusher; Obama to return to Gulf

NBC, msnbc.com and news services

updated 1:48 p.m. CT, Thurs., June 3, 2010

METAIRIE, La. - BP's underwater robots have succeeded in shearing through the pipe atop a blown-out well in the Gulf of Mexico, the top U.S. official overseeing the cleanup said on Thursday.

Video images from BP's live stream showed a diamond saw trying to even the edges of the cut Thursday afternoon. BP had earlier used the shears after the saw became stuck in the pipe halfway through the job, yet another frustrating delay in six weeks of failed efforts to stop, or at least curtail, the worst oil spill in U.S. history.

"We have just cut the riser pipe off of the lower marine riser package," said Coast Guard Admiral Thad Allen, speaking at a briefing in Metairie, La.

He called the success a "significant step forward," and said a cap to contain the oil was over the spill and would be lowered "in the next couple of hours."

However, Allen warned that the pipe cut was jagged and placing a cap over the gusher would now be more challenging.

It won't be known how much oil BP can siphon to the surface until the cap is fitted, but the irregular cut means that the fit won't be as snug as officials had hoped.

The next chance for stopping the flow won't come until two relief wells meant to plug the reservoir for good are finished in August.

BP Chief Executive Officer Tony Hayward said the company should know in 12 to 24 hours whether its latest effort will contain the Gulf oil spill, though he conceded the attempt is risky.

Hayward said the risk had been reduced after a major pipe was cut away earlier in the day. Government officials have warned that cutting away the pipe could, at least temporarily, increase the flow of oil by 20 percent.

Hayward said the company will be on the Gulf coast for a long time cleaning up the spill and will continue until every drop of oil is recovered.

Obama to examine latest efforts

Minutes before the announcement, the White House said President Barack Obama would return to the Gulf Coast on Friday "to assess the latest efforts to counter the BP Deepwater Horizon oil spill."

Obama has come under pressure to show that his administration is in charge of the effort to contain and stop the spill. The White House announced that BP will be billed \$69 million for government help in the cleanup so far.

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msnbc.com

This will be Obama's third trip to the region since the April 20 accident that started the spewing of oil in the area, and it's his second visit in a week.

The White House said more details on Friday's trip would be released later in the day. The Washington Post was reporting that the Minerals Management Service on Thursday stopped issuing permits for new oil and gas drilling in the Gulf of Mexico regardless of water depth, effectively extending Obama's previously announced suspension of permits for deepwater drilling into the shallow waters.

BP admits it was unprepared

Earlier Thursday, BP's Hayward acknowledged the global oil giant was unprepared to fight a catastrophic deepwater oil spill.

Hayward told The Financial Times it was "an entirely fair criticism" to say the company had not been fully prepared for a deepwater oil leak. Hayward called it "low-probability, high-impact" accident.

"What is undoubtedly true is that we did not have the tools you would want in your tool-kit," Hayward said in an interview published in Thursday's edition of the London-based newspaper.

Meantime, oil drifted perilously close to the Florida's popular sugar-white beaches, and crews on the mainland were doing everything possible to limit the catastrophe.

Coast Guard pollution investigators were responding to reports of an oily substance and tar balls near Duck Key, Fla., Long Key, Fla., and Grassy Key, Fla.

On the Panhandle, as the edge of the slick drifted within seven miles of Pensacola's beaches, emergency workers rushed to link the last in a miles-long chain of booms designed to fend off the oil. They were slowed by thunderstorms and wind before the weather cleared in the afternoon.

Forecasters said the oil would probably wash up by Friday, threatening a delicate network of islands, bays and white-sand beaches that are a haven for wildlife and a major tourist destination dubbed the Redneck Riviera.

"We are doing what we can do, but we cannot change what has happened," said John Dosh, emergency director for Escambia County, which includes Pensacola.

The effect on wildlife has grown, too.

Hundreds of dead birds

The U.S. Fish and Wildlife Service reported 522 dead birds — at least 38 of them oiled — along the Gulf coast states, and more than 80 oiled birds have been rescued. It's not clear exactly how many of the deaths can be attributed to the spill.

Dead birds and animals found during spills are kept as evidence in locked freezers until investigations and damage assessments are complete, according to Teri Frady, a spokeswoman for the National Oceanographic and Atmospheric Administration.

"This includes strict chain-of-custody procedures and long-term locked storage until the investigative and damage assessment phases of the spill are complete," she wrote in an e-mail.

As the oil drifted closer to Florida, beachgoers in

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Pensacola waded into the gentle waves, cast fishing lines and sunbathed, even as a two-man crew took water samples. One of the men said they were hired by BP to collect samples to be analyzed for tar and other pollutants.

A few feet away, Martha Feinstein, 65, of Milton, Fla., pondered the fate of the beach she has been visiting for years. "You sit on the edge of your seat and you wonder where it's going," she said. "It's the saddest thing."

'Tar mats' sighted offshore

Officials said the slick sighted offshore consisted in part of "tar mats" about 500 feet by 2,000 feet in size.

County officials set up the booms to block oil from reaching inland waterways but planned to leave beaches unprotected because they are too difficult to defend against the action of the waves and because they are easier to clean up.

"It's inevitable that we will see it on the beaches," said Keith Wilkins, deputy chief of neighborhood and community services for Escambia County.

Florida's beaches play a crucial role in the state's tourism industry. At least 60 percent of vacation spending in the state during 2008 was in beachfront cities. Worried that reports of oil would scare tourists away, state officials are promoting interactive Web maps and Twitter feeds to show travelers — particularly those from overseas — how large the state is and how distant their destinations may be from the spill.

On Wednesday, film director and deep-sea explorer James Cameron said that BP had turned down his offer to help combat the massive spill.

"Over the last few weeks I've watched, as we all have, with growing horror and heartache, watching what's happening in the Gulf and thinking those morons don't know what they're doing," Cameron said at the All Things Digital technology conference.

Cameron, the director of "The Abyss," "Titanic" and

"Avatar," has worked extensively with robot submarines and is considered an expert in undersea filming. He did not say explicitly who he meant when he referred to "those morons."

His comments came a day after he participated in a meeting at the U.S. Environmental Protection Agency headquarters in Washington to "brainstorm" solutions to the oil spill.

This story includes information from The Associated Press and Reuters.

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Environmental funds battled BP for years

4:30pm EDT

By Ross Kerbe

BOSTON (Reuters) - Even before BP Plc's massive oil spill in the Gulf of Mexico began in April, the company was losing its sterling reputation with fund managers focused on the environment.

Though once hailed for its investments in renewable energy and a green advertising campaign, the British oil giant worried fund managers over a string of accidents and safety fines dating to 2005.

The company also had dialed back its outreach, and even as BP became a mainstay of sustainable-investing stock indexes, many specialists had sold their shares or were moving to do so.

"Safety has environmental and investing implications," said Joe Keefe, Chief Executive of Pax World Management LLC in New Hampshire, which owns \$2.4 billion in shares of companies that meet environmental or social criteria.

Pax World had owned BP stock at various points before 2008, and a fund now known as its Global Women's Equality Fund had bought 8,000 BP shares in stages this spring. It sold all of them on April 29 -- nine days after the disaster began -- mainly because of safety issues with BP elsewhere, such as \$3 million in fines the company faced in March over alleged violations at a refinery in Toledo, Ohio.

The shares closed at 584 pence on April 29, and closed at 449 pence on Thursday, having lost almost a quarter of their value. The American depositary receipts rose four percent on Thursday to \$39.25 Adam Kanzer, managing director of Domini Social Investments, a competitor that also picks stocks partly on environmental records, said BP approached his firm several times about buying a stake in recent years, to no avail.

At one session with a BP representative, Kanzer said, "We were telling her that safety issues were a big issue for us, that they needed to clean up their record if they wanted to be in our portfolio."

A BP spokesman did not respond to questions.

BP's souring track record with socially responsible investing (SRI) fund managers matters because the company's glowing green reputation once was a competitive advantage.

Its "Beyond Petroleum" advertising campaign touted its investments in areas such as natural gas and solar power to distinguish itself from other oil companies. Previous chief executive John Browne also courted SRI managers, many of whom still hold stakes in BP.

For instance, Wells Fargo & Co's Wells Fargo Advantage Social Sustainability fund had about 3 percent of its holdings in BP as of April 30, down from 3.5 percent as of January 31, according to a company spokeswoman and to Chicago data firm Morningstar Inc.

Legg Mason Inc's Legg Mason Investment Counsel Socially Aware fund had 2.7 percent of holdings in BP as of March 31, down from 2.9 percent at the end of the year. Neither company made fund managers available to comment.

BP has faced critics who accused it of "greenwashing," using environmentalist rhetoric while missing marks such as failing to spot corroded Alaskan pipelines that led to a 2006 spill.

It has plenty of earlier missteps on its record as well such as bungling the leadership of containment efforts following the 1989 Exxon Valdez tanker spill, reviewers found.

But whatever the case, SRI managers say BP dialed back its outreach when Tony Hayward took over as chief executive in 2007. At one point Hayward even considered a plan to spin off BP's greenengy businesses but shelved the idea amid the worldwide economic crisis.

"There was some cursory engagement that Hayward kept up," said Andrew Logan, oil industry program director at Ceres, a coalition of environmentally minded investors. "But what seemed clear was that under Lord Browne there was some sense that meetings would lead to actions by the company, whereas under Hayward it seemed like they were being done for show."

No company has ever faced an environmental crisis like BP does now. The full tale of the run-up to the April 20 explosion on board a drilling rig leased to BP and the company's response may be difficult to judge for years.

The situation now will force some judgments from those who had considered BP a worthy environmental holding.

On June 1 the investment firm that oversees the Dow Jones Sustainability Indexes said it had removed BP as a component. In a statement the firm said its decision was based on factors including the extent of the spill's consequences for the environment and local population, and for the company's reputation.

But a spokeswoman for the competing environmental indexes "FTSE4Good" said they still list BP and that its inclusion would not be reviewed until a regular meeting in September.

Mark Regier, a director of the MMA Praxis mutual funds in Goshen, Indiana, which owned 119,000 BP shares as of April 30, said he has been pleased with the company's openness since the spill but needs to hear more details before deciding how it will affect the firm's investments.

Communications with BP had deteriorated in recent years, Regier said, though he added he spoke with a BP director several weeks ago. "Something changed, there was a bit of a loss of a connection" after Hayward arrived, Regier said. "What we have seen over the last few months was an improvement."

(Additional reporting by Tom Bergin and Matthew Daily, editing by Philip Barbara)

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Scenarios: The future for BP after the oil spill

8:34am EDT

By Tom Bergii

HOUSTON (Reuters) - BP's oil spill in the Gulf of Mexico has become the worst in U.S. history, prompting speculation about the future of the company and its chief executive, Tony Hayward.

Here are some potential scenarios facing BP:

BP RUNS OUT OF CASH - UNLIKELY

BP and the White House have said the oil giant has the financial muscle to cover the cost of cleaning up the oil spill and compensating those affected.

All analysts consulted by Reuters agree on this, and that the key determinant of how much it does finally cost depends on how long the oil continues to flow

Analysts and investors have started to factor in that the spill lasts until August, when a relief well is expected to be completed. The relief well would end the spill even if earlier efforts to cap the ruptured well have failed.

BP's market capitalization has fallen by around \$65 billion since the Deepwater Horizon rig sank on April 22 after exploding two days earlier, unleashing a torrent of oil into the Gulf of Mexico.

Most analysts believe this more than factors in the total cost to BP.

"It's not going to be anything in that ball park," Alex Morris, oil analyst at Raymond James in Houston said.

Estimates for the total cost start at around \$5.3 billion, an estimate from Dutch bank ING, assuming the current effort to fit a cap on the well to capture the oil works.

However, estimates run to up to \$37 billion -- the forecast from investment bank Credit Suisse

As costs, especially those for damages, will be absorbed over a period of years, BP is seen as able to handle them.

The company generated cash of \$7.7 billion from operating activities in the first quarter. Even after capital investment of \$3.8 billion, it had \$3.9 billion of free cash.

Most analysts believe the company can foot the bill without cutting its dividend or raising debt levels.

However, Credit Suisse said if its \$37 billion estimate is accurate, the company can only maintain its dividend by raising its gearing ratio by 10 percentage points, something it may not wish to do.

And even if BP can afford to maintain its dividend, it may cut it as a political gesture to bolster its flagging reputation. Democratic Senators Charles Schumer and Ron Wyden said on Wednesday BP should cut its dividend until the full costs for cleaning up the spill can be calculated.

BP, which owns 65 percent of the leaking well, its partners Anadarko Petroleum, which owns 25 percent and Japan's Mitsui & Co, which owns 10 percent, are legally liable for the clean-up on the basis of their shareholdings. BP has undertaken to cover all damages itself.

CEO Hayward said in an interview with Britain's The Daily Mail newspaper on Wednesday that clean-up costs could hit \$3 billion if the leak continues until August.

This is based on BP's estimate of around \$950 million spent in the first 41 days after the explosion

However, Credit Suisse estimated in a research note on Wednesday that clean-up costs could total \$15-23 billion. Other analysts put the number as low as the \$2 billion estimated by Panmure Gordon's Peter Hitchens.

BP has agreed to compensate all those affected by the spill for all legitimate costs, even though under the law BP and its partners are only liable to pay up to \$75 million. BP has undertaken to pay this money itself, rather than in conjunction with its partners, so the full liability may fall to it.

BP has offered no estimate but Hitchens at Panmure said on Wednesday he estimates compensation claims will be \$10 billion. Credit Suisse estimates this at \$23 billion.

BP BECOMES A TAKEOVER TARGET - UNLIKELY

The collapse in its share price means BP could become a takeover target, Dougie Youngson, oil analyst at brokerage Arbuthnot said on Tuesday.

However, most analysts do not expect this to happen

Exxon Mobil, Royal Dutch Shell and Chevron are the only fully publicly traded oil companies larger than BP and deemed financially strong enough to buy it.

The U.S. government blocked the takeover of Asia-focused U.S. oil company Unocal by China's CNOOC for strategic reasons, so most analysts doubt it would allow BP -- the largest oil producer in the Gulf of Mexico -- to be taken over by a state-backed oil company.

Antitrust issues could arise over BP's refineries if it were acquired by Exxon, Shell or Chevron, Alex Morris said. This could force the sale of the refineries but in the current depressed refining environment that would be difficult.

BP's significant U.S. gas production assets could also cause regulatory problems for any of the above, Jason Kenney at ING said.

However, the biggest barriers to an acquirer making a move are the unknown liabilities that arise from the spill.

"It would be hard to see one of the other supermajors taking on such an unknown liability," Raymond James's Morris said.

Similarly, selling of BP piecemeal may not attract buyers because the individual parts would still be liable for the spill.

Washington may also block any deal seen to strengthen anyone in the oil industry

"The last thing that President (Barack) Obama needs today is "bigger oil," ING's Kenney said in a research note.

CEO HAYWARD LOSES HIS JOB - UNLIKELY, FOR THE MOMENT

Inevitably, there have been questions over whether Hayward should stay. He told the Daily Mail "...it would be ridiculous to resign at this point" and most analysts have defended the CEO's position.

John Hofmeister, former president of Shell Oil Company, Shell's U.S. unit, and author of "Why We Hate the Oil Companies," told Reuters it was unreasonable to blame the CEO.

"Ultimately the CEO is accountable and responsible ... but the individual on the rig may have a made a bad judgment."

Investors had been happy with Hayward's efforts as CEO. In the almost three years before the Deepwater Horizon rig sunk, he had improved refinery operations, boosted oil production and cut a lot of management overheads.

"People were happy with him -- he had done a good job turning around BP," Alex Morris said.

So far, investors and analysts seem to be backing Hayward.

However, documents and testimony submitted to government investigations into the incident have prompted some in Washington and Louisiana to question BP's decisions about the drilling of the oil well.

Hayward took up his role promising to standardize and streamline the way BP built facilities and drilled oil wells. If the structures he put in place are deemed to have led to any decisions that contributed to the accident, then the CEO's position could come under pressure.

BP IS BARRED FROM DOING SOME BUSINESS IN THE U.S. AT LEAST TEMPORARILY - SOMEWHAT LIKELY

Some commentators have called for BP to be banned from drilling in the United States, which would seriously damage the company's business given that 40 percent of its assets are in the United States and it depends on the country for its growth plans.

Analysts are divided on whether some debarment is likely.

"There are going to be heavy fines. The regulator is going to be tough on them getting permits but all companies have to be treated by the rules. This isn't Venezuela," said Morris.

However, under federal law BP would have to be banned from government contracts for a period of time if convicted of a criminal offense under the Clean Water Act. The company could also be barred from contracts if civil judgments are entered against it for violations of environmental laws.

BP has already faced partial bans on receiving federal contracts because of past violations of U.S. laws. After the pipeline leaks at its Prudhoe Bay Unit in Alaska and a fatal explosion at a Texas refinery, the company was ineligible to receive federally funded contracts for services from those two facilities.

The company had been negotiating with the U.S. Environmental Protection Agency over those bans but those talks were halted after the oil spill in the Gulf of Mexico.

While BP could face such a penalty in the latest oil spill, one law professor and private practitioner, Anthony Sabino, noted that there were not a lot of other oil producers so it might only be a short-term debarment.

That could be viewed as a punitive and politically motivated action, but regardless such a ban would likely "be a short-term hit and not substantial," he said. BP TO FACE FINES AND PENALTIES - LIKELY

In addition to facing billions of dollars in costs from the economic liability and damages, BP could also potentially face billions of dollars in civil and criminal penalties if the Justice Department's investigation finds wrongdoing.

Some legal experts have said that proving some criminal charges may be more difficult because it requires showing intent, negligence or other malfeasance. However, some environmental laws have simple criminal violations, including the one banning harm to migratory birds.

For each barrel of oil that prosecutors can prove has spilled into the Gulf, BP could be fined \$1,100 or as much as \$4,300 if they are able to prove negligence was the cause.

Prosecutors could use estimates from a team of scientists and experts who found between 12,000 barrels per day and 19,000 bpd are flowing from the broken well. That could equal as much as \$81.7 million in fines per day at the high end. With 44 days of oil spewing from the well, that would equal \$3.6 billion as of Wednesday.

Additionally, U.S. laws protect endangered species and migratory birds, with fines of up to \$25,000 per violation. Already more than 100 birds have been found oiled or dead, according to the Unified Area

Reuters.com Page 2 of 2

federal government and state of Alaska in 2006 sought another \$92 million from Exxon, however that request has not been resolved.

BP TO FACE GROWTH HEADWINDS IN THE FUTURE - LIKELY

BP's targets for expanded production will become tougher to achieve following the oil spill, and its financial performance will suffer from higher costs -- even after spill costs and fines are paid.

BP said earlier this year it was targeting oil and gas output growth of 1-2 percent over the medium term. This plan relies heavily on BP's U.S. projects and especially the Gulf of Mexico, where it was leading the push into ever-deeper waters.

The dislocation caused by dealing with the spill, including the diversion of vessels from other fields means BP will face a particular challenge in keeping its drilling plans on track. A moratorium imposed by Obama on new deepwater drilling after the spill will also slow development plans at BP and across the industry.

Even when the oil spill has been dealt with and the drilling moratorium is lifted, BP's damaged reputation is likely to mean more scrutiny from regulators than other companies, analysts said. This means it will likely take longer than it would have expected in the past to bring fields to production.

"The Gulf of Mexico position was much heralded by management as a differentiated position for BP relative to its peers only 12 months ago ... the full monetization of these assets is likely to take longer," Morgan Stanley oil analyst Theepan Jothilingam said in a research note.

Lower-than-expected production would hit BP's financial performance but in addition to this, higher costs could weigh on BP's profits. Analysts at Bernstein estimated the company could face 10 percent higher operating costs in the United States after the spill, in part due to the need to impose tougher safety standards.

(Additional reporting by Jeremy Pelofsky and Ayesha Rascoe in Washington; Editing by Frances Kerry and Eric Walsh)

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Would federal intervention in oil disaster make U.S. liable?

By Ed Hornick, CNN STORY HIGHLIGHTS

- Increasing calls heard for federal government to take over oil cleanup in the Gulf
- CNN analyst says administration may face a tough legal case against BP if it does so
- An attorney suggests emergency situation would favor government in later legal action
- Justice Department launches a criminal and civil investigation

President Obama goes one-on-one with Larry King to talk about the oil spill, economic turmoil and war. Don't miss the president on "Larry King Live," 9 p.m. ET tonight only on CNN.

Washington (CNN) -- Nearly seven weeks into the Gulf of Mexico oil disaster, the Obama administration is facing increasing calls to take over the cleanup operation from beleaguered oil giant BP.

While the government has the legal means of doing that, the consequences might ultimately hurt the government.

On Tuesday, Attorney General Eric Holder announced the Justice Department has launched a criminal and civil investigation into devastating spill and BP's actions. He said the investigation, which began weeks ago, would be comprehensive and aggressive. He also said federal officials will prosecute anyone who broke the law.

CNN legal analyst Jeffrey Toobin said an intervention into the cleanup would only hurt the government's litigation against BP.

"Undoubtedly, one of the defenses of the BP people here, both the corporation and the individuals involved, is going to be, 'Hey, the federal government was involved with this every step of the way. You knew what we were doing. You approved it. You approved all our actions. How can you turn around and prosecute us?' "

Toobin added that while BP's potential argument might be politically infuriating, it is actually a good legal argument in court, "which would make a case like this pretty difficult to prove."

President George H.W. Bush, during the Exxon Valdez tanker spill off the coast of Alaska in 1989, turned down a request by Alaska's governor to declare the incident a major disaster. That declaration, under the Stafford Disaster Relief and Emergency Assistance Act, would commit federal resources and control over the cleanup efforts.

According to the nonpartisan Congressional Research Service, the rationale for the turndowns was that a declaration by Bush "would hinder the government's litigation against Exxon that promised substantial compensation for the incident."

The CRS report, which is prepared for members of Congress, said that such a declaration carries expectations that are difficult to manage, which "may be a consideration for the oil spill in the Gulf Coast."

Camilo Salas, an attorney specializing in environmental issues and based in New Orleans, Louisiana, said the law is on the government's side

Federal statutes provide that a government takeover of the cleanup would not remove the well's operator of any responsibility, Salas said.

"So I don't think that if the government takes over then, BP can say 'Well, you took over, now our involvement is over and we have no liability or responsibility for anything that happens going forward,' " he said. "They still would be liable under the law."

The government has a number of legal paths it could pursue.

Holder said Justice Department lawyers are examining possible violations of the Clean Water Act and the Oil Pollution Act of 1990. He also said prosecutors are looking into potential violations of the Migratory Bird Treaty and Endangered Species Acts, which provide penalties for injury and death to wildlife.

Read more on the DOJ's investigation

Under the OPA, "offshore facilities are required to maintain evidence of financial responsibility of \$150 million and vessels and deepwater ports must provide evidence of financial responsibility up to the maximum applicable liability amount. Claims for removal costs and damages may be asserted directly against the guarantor providing evidence of financial responsibility."

William Buzbee, a law professor at Emory University and director of the Emory Environmental and Natural Resources Law Program, said the case could set a precedent.

"If the government acts and then the blame game starts -- and people try to figure out who should pay -- what the government does or doesn't do will probably influence how future regulatory proceedings and litigation proceed."

Buzbee, a member of the regulatory think tank Center for Progressive Reform, added the idea that the government would be liable for something wrong is especially difficult if the government is acting in an emergency setting.

Meanwhile, calls for governmental action and new regulations are growing louder.

"The president should temporarily take over BP's Gulf operations," said Robert Reich, a former Labor Department secretary under President Clinton. "We have a national emergency on our hands. No president would allow a nuclear reactor owned by a private for-profit company to melt down in the United States while remaining under the direct control of that company. The meltdown in the Gulf is the environmental equivalent."

Reich, writing on his website, has called for BP to be put under temporary receivership, which he said gives the government authority to take over the operations in the Gulf until the spill is stopped.

"This is the only way the public will known what's going on, be confident enough resources are being put to stopping the gusher, ensure BP's strategy is correct, know the government has enough clout to force BP to use a different one if necessary and be sure the president is ultimately in charge," he wrote.

While Obama has the legal means to conduct a takeover, a big question is centered on whether it would help the situation. Administration officials, and outside experts, said the government lacks the technology to effectively clean up the spill. BP, they said, has the financial and technological means.

Even the president's critics recognize the limits to what the government can accomplish.

"They can fire BP and take it over," Sen. Lamar Alexander, R-Tennessee, said Sunday on the CBS program "Face the Nation." "But the truth is, the federal government probably doesn't have the capacity to do that."

Obama indicated Tuesday the laws may change or be created as a result of the disaster, especially when it comes to regulation.

Obama, who recently created an oil spill commission through an executive order, noted that the panel is authorized to hold public hearings and "request information from government, from not-for-profit organizations, and from experts in the oil and gas industry ... as well as from relevant companies, including BP, Transocean, Halliburton and others."

Christopher Mann, an environmental expert at the nonpartisan Pew Environment Group, said the commission will likely call for stricter regulation and new operating procedures.

Because of deregulation in past presidencies, "we're paying the piper. ... Sooner or later, stuff happens. It's just a shame it had to happen in such a huge way," he said.

"If any good can come from this, it could be the push for more balanced regulation that doesn't tip so blindingly for production -- but one that considers the real environmental risks and plans for worst-case scenarios," he added. "In light of an accident this horrendous, you have to really wonder if it's worth the risk."

Links referenced within this article

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June 3, 2010, 12:05 p.m. EDT

BP cuts through riser pipe for well cap

By Steve Gelsi, MarketWatch

NEW YORK (MarketWatch) --U.S. Coast Guard Adm. Thad Allen said Thursday that BP managed to cut through the riser pipe from its leaking well in the Gulf of Mexico in a move he hailed as "good news" and a "significant step."

The cut will allow BP PLC (NYSE:BP) to proceed with plans to cap the well over the next few hours and start pumping oil up to tanker ships on the surface, said Allen, the official overseeing the federal response to the massive spill.

Allen's comment provided a rare glimmer of hope in a series of failed attempts to contain the spill that began after the Deepwater Horizon rig caught fire on April 20 in the Gulf of Mexico about 50 miles off the coast of Louisiana.



D8 Video: James Cameron Talks BP

During their D8 interview with Cameron, Walt and Kara brought up BP and the oil spill to see what the director famous for underwater and environmental films might add.

It's now the worst leak in U.S. history, with an estimated 12,000 to 19,000 barrels of oil leaking daily from the well. Eleven people working on the rig died.

BP CEO Tony Hayward said in an interview with the Financial Times that it was unprepared for the disaster.

"What is undoubtedly true is that we did not have the tools you would want in your tool kit," Hayward said. "Considering how big this has been, very little [oil] has gotten away from us."

On the containment front, BP pledged to pay \$360 million to build sand bars to shield Louisiana's wetlands from the worst effects of the spill. See full story.

Meanwhile, President Barack Obama is scheduled to make another trip to Louisiana's Gulf Coast on Friday to inspect efforts to clean up the leak, the White House said.

Allen said the containment cap contains a seal that will fit over the "jagged" cut of the pipe made by a giant set of steel shears that BP brought to bear after a diamond saw got stuck Wednesday before completing the cut.

The cap also features hose hookups to pump in antifreeze to prevent clogging from hydrates, a mix of gas and water that formed over earlier well containment efforts.

He's not sure how much oil will leak from the cap once it's in place.

"We'll have to wait and see," Allen said. Subsea video footage will be studied to determine the rate of flow from the oil.

The Coast Guard continues to work with the Environmental Protection Agency on the use of dispersants under water near the site of the leak to break up oil that's not captured by the cap.

While the EPA has asked BP to use less toxic forms of dispersants, Allen said no other alternatives have yet been found.

Allen said BP hopes to move in oil processing equipment that can withstand rough weather, but with hurricane season approaching, it's possible that containment efforts may be thwarted in the event of a major storm.

Asked if he trusts Hayward, Allen said BP has been taking direction from officials on live video feeds and other issues.

"There's a need to cooperatively proceed forward and address these problems to the American people," Allen said.
"When I deal frankly and openly with Mr. Hayward I get an answer. When I ask for action, it is taken."

Allen said BP is aware that cutting the pipe will increase the flow of oil from the well by an estimated 20%, but that the move was needed to allow a cap to be placed.

BP attempt to "top kill" the well by attempting to clog the damaged blowout preventer and then seal it with cement failed over Memorial Day weekend.

The company previously tried to lower a containment dome and a smaller top hat over the leak to capture leaking oil, to no avail as they got clogged with a mix of ice and semi-frozen gas.

BP also put an insertion tube into the riser, but met with only partial success in drawing off oil.

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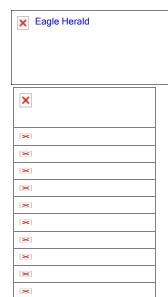
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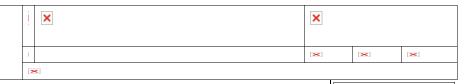
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Jun 3, 5:50 AM EDT

Gulf spill workers complaining of flulike symptoms

By NOAKI SCHWARTZ and MATTHEW BROWN Associated Press Writers

NEW ORLEANS (AP) -- For days now, Dr. Damon Dietrich has seen patients come through his emergency room at West Jefferson Medical Center with similar symptoms: respiratory problems, headaches and nausea.

In the past week, 11 workers who have been out on the water cleaning up oil from BP's blown-out well have been treated for what Dietrich calls "a pattern of symptoms" that could have been caused by the burning of crude oil, noxious fumes from the oil or the dispersants dumped in the Gulf to break it up. All workers were treated and released.

"One person comes in, it could be multiple things," he said. "Eleven people come in with these symptoms, it makes it incredibly suspicious."



AP Photo/Patrick Semansky



Advertisement

Few studies have examined long-term health effects of oil exposure. But some of the workers trolling Gulf Coast beaches

and heading out into the marshes and waters have complained about flu-like symptoms - a similar complaint among crews deployed for the 1989 Exxon Valdez spill in Alaska.

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BP and U.S. Coast Guard officials have said dehydration, heat,

food poisoning or other unrelated factors may have caused the workers' symptoms. The Louisiana Department of Health and Hospitals is investigating.

Brief contact with small amounts of light crude oil and dispersants are not harmful. Swallowing small amounts of oil can cause upset stomach, vomiting and diarrhea.

Interactives



Quiz for Older Job Seekers

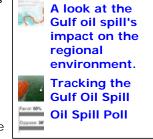


Who Has Lost the Jobs? A State by State Look

Multimedia

Long-term exposure to dispersants, however, can cause central nervous system problems, or do damage to blood, kidneys or livers, according to the Centers For Disease Control and Prevention.

In the six weeks since the Deepwater Horizon rig exploded, killing 11 workers, an estimated 21 million to 45 million gallons of crude has poured into the Gulf of Mexico.



Hundreds of BP contractors have fanned out along the Gulf, deploying boom, spraying chemicals to break up the oil, picking up oil-soaked debris and trying to keep the creeping slick out of the sensitive marshes and away from the tourist-Mecca beaches.

Commercial fisherman John Wunstell Jr. spent a night on a vessel near the source of the spill and left complaining of a severe headache, upset stomach and nose bleed. He was treated at the hospital, and sued - becoming part of a class-action lawsuit filed last month in U.S. District Court in New Orleans against BP, Transocean and their insurers.

Wunstell, who was part of a crew burning oil, believes planes were spraying dispersant in the middle of the night - something BP disputes.

"I began to ache all over ..." he said in the affidavit. "I was completely unable to function at this point and feared that I was seriously ill."

Dozens of complaints, most from spill workers, have been made related to oil exposure with the Louisiana Department of Health and Hospitals, said spokeswoman Olivia Watkins, as well as with the Louisiana Poison Center, clinics and hospitals. Workers are being told to follow federal guidelines that recommend anyone involved in oil spill cleanup wear protective equipment such as gloves, safety glasses and clothing.

Michael J. Schneider, an attorney who decided against filing a class-action lawsuit in the 1990s involving the Valdez workers, said proving a link between oil exposure and health problems is very difficult.

"As a human being you listen to enough and you've got to believe they're true," he said. "The problem is the science may not be there to support them ... Many of the signs and symptoms these people complained of are explainable for a dozen different reasons - it's certainly coincidental they all shared a reason in common."

Similar to the Valdez cleanup, there have been concerns in the Gulf that workers aren't being supplied with enough protective gear. Workers have been spotted in white jumpsuits, gloves and booties but no goggles or respirators.

"If they're out there getting lightheaded and dizzy every day then obviously they ought to come in, and there should be respirators and other equipment provided," said LuAnn White, director of the Tulane Center for Applied Environmental Public Health. She added that most of the volatile components that could sicken people generally evaporate before the oil reaches shore.

BP PLC's Chief Operating Officer Doug Suttles said reports of workers getting sick are being investigated but noted that no one has pinpointed the cause. Suttles said workers were being given "any safety equipment" needed to do their jobs safely.

Unlike with Exxon Valdez, in the Gulf, the oil has been lighter, the temperatures warm and humid, and there have been hundreds of thousands of gallons of chemicals used to break up the oil.

Court records showed more than 6,700 workers involved in the Exxon Valdez clean up suffered respiratory problems which the company attributed to a viral illness, not chemical poisoning.

Dennis Mestas represented the only known worker to successfully settle with Exxon over health issues. According to the terms of that confidential settlement, Exxon did not admit fault.

His client, Gary Stubblefield, spent four months lifting workers in a crane for 18 hours a day as they sprayed the oil-slicked beaches with hot water, which created an oily mist. Even though he had to wipe clean his windshield twice a day, Stubblefield said it never occurred to him that the mixture might be harming his lungs.

Within weeks, he and others, who wore little to no protective gear, were coughing and experiencing other symptoms that were eventually nicknamed Valdez crud. Now 60, Stubblefield cannot get through a short conversation without coughing and gasping for breath like a drowning man. He sometimes needs the help of a breathing machine and inhalers, and has to be careful not to choke when he drinks and eats.

Watching the Gulf situation unfold, he says, makes him sick.

"I just watch this stuff everyday and know these people are on the very first rung on the ladder and are going to go through a lot of misery," said Stubblefield, who now lives in Prescott, Ariz.

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Associated Press writers John Flesher from Michigan, Brian Skoloff and Kelli Kennedy from Miami contributed to this report.

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Source: Daily Environment Report: News Archive > 2010 > June > 06/03/2010 > News > Oil Spills: Justice Department Files Motion in Court To Block Transocean From Limiting Liabilities

105 DEN A-13

Oil Spills

Justice Department Files Motion in Court To Block Transocean From Limiting Liabilities

HOUSTON—Department of Justice attorneys June 1 filed a motion in the U.S. District Court for the Southern District of Texas asking it to block Transocean Ltd., the owner of the drilling rig Deepwater Horizon, from limiting its liabilities linked to the April 20 explosion of the rig and the subsequent oil spill (*In re Transocean Holdings LLC*, S.D. Tex., No. 2:10-cv-1721, *motion filed* 6/1/10).

Transocean had petitioned the court May 13 to limit its liability concerning the Deepwater Horizon explosion, fire, and oil spill to \$26.8 million, citing the Limitation of Shipowner's Liability Act of 1851 and Rule F of the Supplemental Rules for Certain Admiralty and Maritime Cases (92 DEN A-14, 5/14/10).

Eleven crew members died in the accident.

The Limitation Act is "wholly inapplicable," and Transocean may not invoke it to limit liability for Oil Pollution Act of 1990 claims, the motion said. The Oil Pollution Act's explicit statutory language, governing case law, legislative history, and even secondary sources make that fact "exceedingly clear," according to the motion.

"Transocean initially invoked the Limitation Act as a way of zeroing out its liability to the Deepwater Horizon's deceased and surviving crewmen, as well as to others harmed by the spill," the Justice Department's motion said. However, the government said responsible parties for the drilling rig are subject to strict liability for all pollution removal costs plus an initial liability limit of \$75 million for damages. Additionally, BP Plc, as the holder of the drilling permit and lease for oil exploration and production, also is a responsible party under the Oil Pollution Act, the motion said.

Penalties Possible Under Other Laws

Within days of Transocean filing its petition with the court, the company publicly announced that it would be issuing approximately \$1 million in dividends to its shareholders, the motion said.

"That announcement was in rough tandem with another announcement dealing with the fact that Transocean has so far made a profit, of sorts, as a result of this tragedy," the motion said. The drilling contractor had the rig insured for a "handy sum" and announced that it actually booked a \$270 million "accounting gain" on the difference between the real value of the Deepwater Horizon and the amount received in hull insurance following the vessel's sinking.

The department said it wanted to make clear that the United States "is entitled to proceed separately and outside this Limitation Act with respect to any and all claims and actions the government may pursue for pollution response costs, environmental damages, and other injuries stemming from the oil spill including claims for injunctive relief, claims, and actions asserting civil and administrative penalties under the Clean Water Act and other statutes," including Park System Resource Protection Act, the National Marine Sanctuaries Act, and the Rivers and Harbors Act.

The Oil Pollution Act expressly permits states to impose additional liability and requirements for oil spills above the limits established by the act and the Limitation Act, the department said.

By Susanne Pagano

The Justice Department's motion in In re Transocean Holdings LLC is available at http://pub.bna.com/ptcj/10-cv-1721.pdf.

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105 DEN A-13

Oil Spills

NOAA Research Vessel Begins Mission To Study Dispersal of Oil in Gulf of Mexico

HOUSTON—A government research vessel will begin a 10-day mission to study the location and the movement of oil and dispersed oil below the surface in the area around the Gulf of Mexico oil spill, Administrator for the National Oceanic and Atmospheric Administration Jane Lubchenco announced June 2 at an incident command center in Schriever, La.

A team of government and academic scientists are aboard the 208-foot NOAA research ship Thomas Jefferson, one of several agency vessels conducting research on water and marine life following the April 20 explosion and sinking of the semi-submersible rig Deepwater Horizon.

Additionally, the NOAA vessel Gordon Gunter is conducting acoustic surveys and collecting water samples throughout the water column in the oil spill area and towing nets to sample pelagic species, Lubchenco said.

Scientific personnel are on board to assist with the acoustic survey and to utilize an autonomous underwater vehicle called the Gulper that is operated by the Monterey Bay Aquarium Research Institute team to collect discrete samples at different depths in the water column, she said.

NOAA also is coordinating research efforts with the University of South Florida aboard the vessel Weather Bird II, which is conducting sampling water to assess and to monitor the oil spill.

Lubchenco said it was important that NOAA be able to collect water samples at different depths in the water column, have them analyzed in a laboratory setting, to obtain research data "we can trust."

Oil Slick Spreads

The first oil from the Gulf oil spill has now reached the Mississippi coastline and Mississippi Sound, Retired Coast Guard Adm. Thad Allen said. Some tar balls and sheening also have been spotted along Alabama shores, he said.

"We are deploying skimmers offshore to try and intercept the sheen and any emulsified oil out there as far offshore as we can," Allen said.

Allen further confirmed that he has authorized the State of Louisiana to build one segment of a prototype sand berm and barrier to contain oil in a vulnerable coastal area near marshland and estuaries.

The U.S. Army Corps of Engineers has reviewed the feasibility and environmental impact of the barriers and berms, Allen said. However, it is uncertain whether berms and barriers will be effective in combating the oil spill, he said.

Rather than waiting for a review of all six planned segments of a berm, the Coast Guard authorized the state to go ahead with one of the segments as a prototype, enabling state workers to start moving equipment and mobilizing a dredge, he said.

BP's Plans Delayed by Equipment Problem

Separately, Allen said BP's latest effort to cap the damaged well was delayed after a saw became stuck while a remotely operated vehicle was trying to make a second cut in the riser pipe in 5,000 feet of water. The cut is necessary to place a containment cap device over the top of the wellhead to contain the oil, Allen said.

Response officials did not expect the flow of oil to increase until the second cut is done. It has been estimated that the flow of oil from the damaged well could increase by 20 percent once the second cut is completed.

As a precautionary measure to ensure that seafood remains safe for consumers, NOAA has expanded the boundaries of the closed fishing area in the Gulf of Mexico to account for portions of the slick moving beyond the current boundaries, agency officials said June 2. The closed area now covers 88,502 square miles, which represents around 37 percent of the Gulf of Mexico federal waters.

The closed fishing area encompasses an area off southwest Florida that includes waters just to the west of the Dry Tortugas.

Federal and state governments have systems in place to test and to monitor seafood safety, to prohibit harvesting from affected areas, and to keep oiled products out of the marketplace, NOAA said.

By Susanne Pagano

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Jun 3, 6:24 PM EDT

Wash off tarballs, but brief encounters not risky

By MIKE STOBBE AP Medical Writer

ATLANTA (AP) -- Oil has now washed up on the beaches of three Gulf states. How dangerous is it?

Not very, experts say.

People should of course stay away from oil on the beach or in the water, but swallowing a little oil-tainted water or getting slimed by a tarball is not considered grounds for a trip to the emergency room, health officials say.

"Limited contact is not something that needs to be treated by a physician," said Doc Kokol, a spokesman for the Florida Department of Health.

It's been six weeks since the Deepwater Horizon rig exploded, killing 11 workers and pouring an estimated 21 million to 45 million gallons of crude oil into the Gulf of Mexico. Oil has hit beaches in Louisiana, Mississippi and Alabama. And it lurks off the coast of the Florida Panhandle.

Poison control centers have had about 45 calls from people saying they think they got sick from oil spill exposure.

It helps that the spill involves a type of oil called medium sweet crude. It's considered less hazardous than other forms because it contains fewer toxic sulfur compounds and fewer chemicals that enter the air easily, according to the Centers for Disease Control and Prevention.

But oil is considered toxic. Short exposures may cause only fleeting symptoms. But exposure to large amounts of it day after day for a long time could lead to problems with breathing, thinking and coordination,



AP Photo/Dave Martin



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Multimedia

A look at the Gulf oil spill's impact on the regional environment.

Tracking the Gulf Oil

Oil Spill Poll

and potentially raise the risk of cancer, said Niladri Basu, a University of Michigan environmental toxicologist.



"Avoidance is the best medicine," he said.

Children are more sensitive to pollution than adults, and parents should watch for rashes on their skin or dark sticky spots that are hard to wash off, the CDC says.

Long-lasting skin contact with crude oil can cause skin to redden, swell and burn. The problem can get worse if the skin is exposed to the sun.

Oil on bare skin should be washed off as soon as possible. Call the local poison control center if a rash or other problem develops, health officials advise.

Soap and water, baby oil or petroleum jelly are the best way to remove it. Avoid using kerosene or gasoline. If you get oil in your eyes, rinse them with water for 15 minutes, the CDC says.

Swallowing small amounts of oil - less than a coffee cup - can cause vomiting and diarrhea, but is not likely to have long-lasting effects, government doctors say.

For years bits of tar have shown up on some beaches along the Gulf because of tanker and rig spills and oil seepage from beneath the sea that washes up. Some condominiums, especially in Texas, keep handy tarremover towelettes for visitors.

The oil spill in the Gulf began washing ashore in Mobile Bay, Alabama, Thursday. At a Confederate fort on the white sand beach, reddish-brown globs appeared. Faith Kaiser and Bertice McPherson had brought rubber gloves and plastic bags to take a look and help clean up.

"It was just sickening to see this coming. We wanted to see it one more time before it was destroyed," said McPherson, of Mobile.

At least 11 oil spill response workers reportedly have become sick in the past week, suffering flu-like symptoms after patrolling the waters off Gulf Coast beaches.

But response workers - who are trained and generally have safety equipment - are near higher concentrations of oil, chemical dispersants and other substances. The risk to the landbound public is considered much smaller, health officials say.

Neither the CDC nor the Environmental Protection Agency have set up tracking systems for oil spill-related illnesses. States have, but they don't all track cases the same way, officials said.

Associated Press reporter Jay Reeves contributed to this report from Mobile Bay.

Online:

CDC oil spill page:

http://emergency.cdc.gov/chemical/oil-spill-gm-2010.asp

American Association of Poison Control Centers: http://www.aapcc.org/DNN/

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CBSNEWS

Political Hotsheet

June 2, 2010 5:00 PM

Political Fallout from Oil Spill Still Hounds Obama

Posted by Chip Reid



(Credit: AP)

President Obama was in Pittsburgh today to talk about the economy, but the disaster in the Gulf was never far from his mind. Weaving the oil spill and energy issues into his speech, he made two basic arguments related to the spill.

First, right from the top of the speech he continued his campaign to convince a skeptical public that he's fully engaged:

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"Right now, stopping this oil spill and containing its damage must be the top priority of my Administration, and we are waging this battle every minute of

every day," he said.

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It's going to take a lot more than brief speech trefletions to knock down conventional wisdom. But ever since his mea guipa filled press conferer there's any hope of undoing the political damage.

Later in the speech, after excoriating Republicans for their "economic posterior there are inherent risks to drilling four miles received that the surface of the E have to acknowledge that an America run solely on Jossif fuels should n and for all, for this nation to fully embrace aclean energy future."

He then argued for passing the energy bill that's now before Congress, w of dollars in tax breaks for the oil companies to pay for it all.



In other words, the president is using the disaster in the Gulf to argue that it's more urgent than ever to get moving on his energy agenda.

As Rahm Emanuel likes to say: never waste a crisis.

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Chip Reid is CBS News' chief White House correspondent. You can read more of his posts in Hotsheet here.

What's Your Take? Awesome1Shocking2Infuriating5Important6

OBSTACLES BEDEVIL OIL SPILL RESPONSE AS FEDS CLAIM CONTROL



by Mickey McCarter Wednesday, 02 June 2010

Govt. has more to offer to cleanup of oil spill than to stopping the flow

The White House began exerting a stronger presence in the response to the Deepwater Horizon oil spill Tuesday with Thad Allen, national incident commander of the spill, outlining a number of steps the Obama administration has taken with federal agencies, state and local governments, and the private sector.

Speaking alone at a press briefing Tuesday in Louisiana, Allen sought to assure the public that the federal government was indeed in charge of the sprawling oil spill as it entered its 43rd day of leaking from a damaged well owned by BP Plc.

"I think we need to be communicating with the American people through my voice as a national incident commander. And I think that is the way we ought to be communicating," Allen asserted.

Allen echoed administration assertions that the federal government has approved every move BP has made to stop or contain the flow of oil from its well, which began spewing oil and natural gas after an explosion on April 20. But BP's efforts have failed to stop the spill to date and federal agencies lack the expertise or the resources to produce solutions to halt the flow of oil, according to authorities.

As such, Allen appeared largely helpless to offer hope that the oil would stop flowing any time soon.

BP would next undertake an effort called a top cap to contain the flow of oil and move it onto oil tankers rather than seal the well off, as the failed top kill operation would have done last weekend, Allen described. But Allen, who recently ended a four-year tour as US Coast Guard (USCG) commandant, could offer no assurances that the procedure would work. Indeed, he instead highlighted the additional risks that the top cap operation presented.

BP would cut away part of the damaged well that actually is impeding the flow of oil. As a result, oil flow may temporarily increase as much as 20 percent, Allen stated.

Marcia McNutt, head of the US Geological Survey, heads a federal task force monitoring the rate of flow from the damaged well. The oil spill currently increases at a rate of 12,000 to as much as 25,000 barrels per day, according to task force estimates.

In addition, the start of hurricane season Tuesday introduced variables that could topple response operations due to heavy weather, Allen cautioned.

"Therefore, there is a possibility during hurricane season, if we could have to go off station, that would cause more oil to be discharged," Allen remarked. "And we need to understand what are the conditions, how long can we stay out there, how quickly can we redeploy back, and do we have a way to do things like treat the oil that would be coming out with subsea dispersants? And those plans have been requested, and they're being developed by British Petroleum right now."

In a separate briefing in Washington Tuesday, White House spokesperson Robert Gibbs clarified that the federal government was "throwing unprecedented resources" not at actually stopping the oil spill in the Gulf of Mexico from continuing but at cleaning up the oil that was washing ashore along the Gulf coast.

Federal measures

Allen pledged that federal resources would triple in areas where the oil was coming ashore, as ordered by President Barack Obama Monday. However, he didn't specify exactly what that meant in terms of manpower and equipment.

The US Coast Guard also rotated the on-scene commander for the oil spill. Rear Adm. Mary Landry returned to commanding the USCG Eighth District while Adm. Jim Watson stepped up to command the federal response effort, Allen announced. Allen characterized the turnover as the result of a normal procedure to provide relief to the high-tempo position.

Federal agencies also have begun to look at health and safety concerns raised by critics of the oil dispersant deployed by BP to break up oil slicks in the Gulf, Allen said.

The White House has tasked the departments of Labor and Health and Human Service to look into issues flagged by the Environmental Protection Agency, Allen said. Doing so required the establishment of memorandums of agreement between the federal agencies, which should complete the agreements Wednesday.

"I'm not sure we really understand if there's a connection between the air delivery of dispersants and incidents of folks somehow being impacted by that on land," Allen commented. "To that end, EPA has been doing air sampling all around the coastline. We're doing water sampling. I'm not sure we've got a causal link between any symptoms on land and the aerial dispersants sprayed. But you don't want to rule anything out, and you always want to keep the public confidence moving forward."

The federal government also has accepted offers of foreign aid while soliciting additional resources from other countries, Allen revealed. For example, the United States has sought various oil skimmers from nations such as Canada, Mexico, and the Netherlands as well as air support from Canada.

State and local coordination

The immediate business of the day for Allen and other federal authorities, however, was to sit down with state and local representatives, along with other experts, to discuss a proposal from the state of Louisiana to build barrier island to protect sensitive wildlife areas from the spread of the oil spill.

"This was a topic of intense discussion with the president last week in Grand Isle [Louisiana]. He directed me to convene a meeting to obtain transparency on information associated with this, to understand the pros and cons. Is this an effective way to respond to the oil spill? What are the issues associated with it? Are there potential environmental impacts? What should we be concerned about? What are the critical elements of the information that we need to move forward?" Allen detailed.

After the Tuesday meeting, Allen said he would assemble information on the proposal and deliver recommendations to Obama.

Indeed, the White House approved an initial 30-mile portion of the barrier plan proposed by Louisiana last week. The apparent reluctance to embrace the full plan drew criticism from members of Louisiana's congressional delegation.

Sen. David Vitter (R-La.) blasted the incremental approval in a statement May 27.

"Here the president doesn't seem to have a clue. His decision on the emergency dredging barrier island plan is a thinly veiled 'no.' Approving two percent of the request and kicking the rest months down the road is outrageous, absolutely outrageous," Vitter lamented.

Sen. Mary Landrieu (D-La.) hailed the "targeted" plan as a good start but said the White House must do more.

"These temporary, targeted barriers serve as a first line of defense against the oil, but they will be built in vain if we do not advance a long-term coastal restoration plan," Landrieu said in a separate statement. "The federal government now needs to step up and approve proposals to get funding into the hands of the State of the Louisiana for coastal protection projects."

During the White House press briefing Tuesday, Gibbs said the administration could evoke the Stafford Act (Public Law 100-707) to speed economic assistance to Gulf states to supplement the Oil Pollution Act (Public Law 101-380), which currently guides the response of federal resources to the continuing catastrophe.



About the author:

eNewsletter Editor/Senior Washington Correspondent, is a journalist with more than a decade of experience in reporting on military affairs and information technology.

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Obama's agenda gets bogged down in oil

With the midterm elections nearing, the president by now had planned to be focusing on jobs and the economy. But the gulf oil spills has sidetracked him — and potentially Democrats' election hopes.

By Peter Nicholas, Tribune Washington Bureau

7:09 PM PDT, June 2, 2010

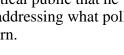
Reporting from Washington

Heading into midterm elections that threaten his party's control of Congress, President Obama is struggling with an unending environmental catastrophe in the Gulf of Mexico that makes it almost impossible to stick with his agenda.



New scientific discovery fuels muscle building

This was supposed to be the season when Obama could make jobs and the economy his central focus — working to convince a skeptical public that he and his allies in Congress are addressing what polls show to be voters' No. 1 concern.



But the gulf oil spill has intruded on the administration's plans.



Mysterious fruits reverse aging, improve health



The president's experience Wednesday drove home the unwelcome point: Appearing in Pittsburgh for a speech at Carnegie Mellon University that was designed to focus on the economy, Obama found himself compelled to turn again to the growing disaster.

"The catastrophe unfolding in the gulf right now may prove to be a result of human error, or corporations taking dangerous shortcuts that compromised safety," Obama said. "But we have to acknowledge that there are inherent risks to drilling four miles beneath the surface of the Earth, risks that are bound to increase the harder oil extraction becomes."

In another sign that the oil spill has upended the White House agenda and posed new political risks for both Obama and congressional Democrats, the president may delay or cancel a visit to Indonesia and Australia to keep his focus on the gulf.

Seven days a week, the White House takes part in rounds of conference calls about the spill. Throughout the federal bureaucracy employees are setting aside other projects so they can concentrate on the disaster.

Cabinet secretaries are being deployed to the gulf to help deal with engineering problems. Atty. Gen. Eric H. Holder Jr. was the latest to visit the region, warning Tuesday that criminal charges might be in the offing.

"Presidents are required to deal with situations as they arise," said Geoff Garin, a Democratic pollster. "But this is certainly something that makes it much more difficult for the administration to execute its own game plan in terms of communicating an economic message."

"His initiatives have been overtaken by current events," Republican pollster Neil Newhouse said. "He's no longer driving an agenda, he's responding to it. So unless he gets control, he's going to have a tough time driving up his approval ratings, which is what Democrats across the country are hoping for."

By early spring, Obama's toughest legislative fights were behind him. He had completed a healthcare overhaul, and a bill to strengthen oversight of the financial industry was on track to pass. But this period in the calendar was important to the White House for reasons beyond policy initiatives.

In the run-up to the midterms, Obama had hoped to show an unswerving focus on the economy and the jobless rate. The goal was to bolster the position of Democratic lawmakers who are at risk of seeing their majority thinned.

The White House likes to say that it can "walk and chew gum at the same time." But the spill has tested that assertion. The need to defend the Democrats' record on the economy is reflected in polls showing many Americans give them little or no credit for improving conditions.

At the same time, polls also show voters are displeased with the president's response to the worst environmental disaster in U.S. history. A recent Gallup poll showed that 53% rated Obama's performance in responding to the oil spill as poor or worse, compared with 43% who rated it good or better.

Yet even as the administration works to convey an image of a caring president taking charge in a moment of crisis, Obama is tying himself to all the potential downsides of the outcome, including months of oiled beaches and live video images of the spill. Ultimately, that could be a serious drag on his approval ratings and diminish his ability to lead on other issues or help Democratic candidates this fall.

Part of Obama's problem may be a matter of temperament. Projecting outrage and empathy have not always been his strong suit. Instead, he sometimes gets caught up in technical details. At one point during a news conference last week, the president spent time discussing how chemical compounds react at great depth and low temperatures.

Paul Begala, a Democratic strategist, said Obama should emulate President Clinton, to whom Begala served as advisor. "Leading with your heart is a big part of the job," Begala said in an interview. Clinton "really did feel our pain and he acted on it. You always had a sense he was on our side. The president [Obama] has to show a little leg on that."

Sen. Mary L. Landrieu (D-La.) said in an interview: "He's known and admired for his coolness under pressure. But that style ... at times just seems to be a little out of sync."

Polls suggest Obama has yet to convince the public that he is on top of the situation. Inside the administration, some contend that the White House has put out a message that has left the public confused: that BP's role is to plug the leak, but the president is ultimately accountable.

With Obama preoccupied, Democratic analysts are urging candidates to take matters into their own hands and talk about jobs at every turn.

Celinda Lake, a Democratic strategist, said that in this precarious economy, "if you're not talking about jobs, it's very hard to convince the voters that you're, one, in touch with their lives and, two, getting anything done that matters to them."

Timing has bedeviled Obama since the inauguration. Healthcare negotiations dragged out for a full year, forcing other issues to the side. He was supposed to make his "hard pivot" to jobs in January. Then February. It still hasn't happened.

With oil flooding the gulf, and Israel on the defensive over its raid Monday that turned deadly aboard ships carrying aid to the Gaza Strip, it may not happen this year.

"His failure to focus on jobs last year could come back and bite him," Newhouse said. "Because you know what? Circumstances dictate now that he has to be dealing with other issues. And, overwhelmingly, jobs are still the No. 1 issue facing the country."

peter.nicholas@latimes.com

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BP says unprepared for Gulf spill; pipe awaits cut

Posted Wednesday, Jun. 02, 2010

BY MELISSA NELSON AND ADAM GELLER

Associated Press Writers

PENSACOLA, **Fla.** — BP's top executive acknowledged Thursday the global oil giant was unprepared to fight a catastrophic deepwater oil spill as engineers were forced yet again to reconfigure plans for executing their latest gambit to control the Gulf of Mexico gusher.

BP PLC planned to use giant shears to cut a pipe a mile below the sea after a diamond-tipped saw became stuck halfway through the job, another frustrating delay in six weeks of failed efforts to stop or at least curtail the worst oil spill in U.S. history. The government's point man for the disaster, Coast Guard Adm. Thad Allen, said on the NBC "Today" show the cut would be made later Thursday.

Once the riser pipe is cut, BP hopes to cap it and start pumping some crude to a surface tanker, which would reduce but not end the spill. The next chance for stopping the flow won't come until two relief wells meant to plug the reservoir for good are finished in August, after an effort to staunch the gusher with heavy mud failed Saturday.

BP Chief Executive Tony Hayward told The Financial Times it was "an entirely fair criticism" to say the company had not been fully prepared for a deepwater oil leak. Hayward called it "low-probability, high-impact" accident.

"What is undoubtedly true is that we did not have the tools you would want in your tool-kit," Hayward said in an interview published in Thursday's edition of the London-based newspaper.

The latest attempt to control the spill, the so-called cut-and-cap method, is considered risky because slicing away a section of the 20-inch-wide riser could remove kinks in the pipe and temporarily increase the flow of oil by as much as 20 percent.

Oil drifted perilously close to the Florida Panhandle's popular sugar-white beaches, and crews on the mainland were doing everything possible to limit the catastrophe.

The Coast Guard's Allen directed BP to pay for five additional sand barrier projects in Louisiana. BP said Thursday the project will cost it about \$360 million, on top of about \$990 million it had spent as of its latest expense update Tuesday on response and clean up, grants to four Gulf coast states and claims from people and companies hurt by the spill.

As the edge of the slick drifted within seven miles of Pensacola's beaches, emergency workers rushed to link the last in a miles-long chain of booms designed to fend off the oil. They were slowed by thunderstorms and wind before the weather cleared in the afternoon.

Forecasters said the oil would probably wash up by Friday, threatening a delicate network of islands, bays and whitesand beaches that are a haven for wildlife and a major tourist destination dubbed the Redneck Riviera.

"We are doing what we can do, but we cannot change what has happened," said John Dosh, emergency director for Escambia County, which includes Pensacola.

The effect on wildlife has grown, too.

The U.S. Fish and Wildlife Service reported 522 dead birds - at least 38 of them oiled - along the Gulf coast states, and more than 80 oiled birds have been rescued. It's not clear exactly how many of the deaths can be attributed to the spill.

Dead birds and animals found during spills are kept as evidence in locked freezers until investigations and damage assessments are complete, according to Teri Frady, a spokeswoman for the National Oceanographic and Atmospheric Administration.

"This includes strict chain-of-custody procedures and long-term locked storage until the investigative and damage assessment phases of the spill are complete," she wrote in an e-mail.

As the oil drifted closer to Florida, beachgoers in Pensacola waded into the gentle waves, cast fishing lines and sunbathed, even as a two-man crew took water samples. One of the men said they were hired by BP to collect samples to be analyzed for tar and other pollutants.

A few feet away, Martha Feinstein, 65, of Milton, Fla., pondered the fate of the beach she has been visiting for years. "You sit on the edge of your seat and you wonder where it's going," she said. "It's the saddest thing."

Officials said the slick sighted offshore consisted in part of "tar mats" about 500 feet by 2,000 feet in size.

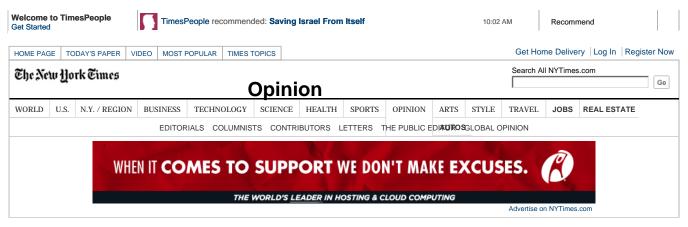
County officials set up the booms to block oil from reaching inland waterways but planned to leave beaches unprotected because they are too difficult to defend against the action of the waves and because they are easier to clean up.

"It's inevitable that we will see it on the beaches," said Keith Wilkins, deputy chief of neighborhood and community services for Escambia County.

Florida's beaches play a crucial role in the state's tourism industry. At least 60 percent of vacation spending in the state during 2008 was in beachfront cities. Worried that reports of oil would scare tourists away, state officials are promoting interactive Web maps and Twitter feeds to show travelers - particularly those from overseas - how large the state is and how distant their destinations may be from the spill.

Adam Geller reported from New Orleans. Associated Press writers Greg Bluestein in Covington, La., Matt Sedensky in Pensacola, Travis Reed in Miami, Kevin McGill over the Gulf of Mexico, Darlene Superville and Pete Yost in Washington, Brian Skoloff in Port Fourchon, La., Mary Foster in Boothville, La., and Michael Kunzelman in New Orleans also contributed to this report.

Looking for comments?



Reckoning in the Gulf

The criminal and civil investigations announced by the Justice Department this week into the disastrous oil spill in the Gulf of Mexico are clearly necessary.

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Times Topic: Gulf of Mexico Oil Spill (2010)

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overlap is inevitable.

The spill, the worst in United States history and growing more damaging by the day, cries out for accountability and appropriate punishment. Attorney General Eric Holder did not name specific targets, but BP, Transocean the rig operator — and other important subcontractors like Halliburton are

obvious candidates. Justice's investigation will run parallel to an inquiry by a special commission appointed by President Obama to discover the causes of the disaster, assess the performance of federal oversight agencies and recommend ways to prevent similar calamities. The White House must take special care that both are allowed to do a complete job. Even though their missions are different the Justice Department mainly concerned with lawbreaking, the commission with safety -

Both, for instance, will be talking to many of the same witnesses from government and industry. Unlike the Justice Department, the commission does not have subpoena powers. Congress should grant that power if only to make sure that witnesses from an industry that is accustomed to going its own way actually show up.

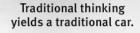
As Mr. Holder knows, the legal journey will be long and arduous. Exxon did not finally settle up for damages related to the 1989 Exxon Valdez spill — in addition to the billions it paid in cleanup costs — until a Supreme Court decision in 2008. BP is responsible for containing the gulf spill and cleaning it up, but the fines it must ultimately pay, as well as compensatory damages to injured parties, will depend in part on the whether the company can be shown to have broken the law.

One relevant law is the Oil Pollution Act of 1990, enacted after the Exxon Valdez spill, which imposes monetary penalties for every barrel of spilled oil - even if negligence is not found, but more if it is. Another is the Clean Water Act, which carries both civil and criminal penalties for polluting waterways. BP could also be found negligent under the Marine Mammal Protection Act because it failed to obtain necessary federal permits to

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gate potential liability under the Migratory ct, which provide penalties for injury and ed in 1991 to pay \$100 million to settle nd later paid \$1 billion in federal and state

Holder to act, raised one more ominous misleading statements to federal authorities

in the 2009 exploratory drilling plan it submitted to the Minerals Management Service. The plan asserted that the company had "proven equipment and technology" to respond to a blowout Green the sal file nature of BP's response, Ms. Boxer has suggested, that assertion now seems misleading or even false.

There are extraordinarily tough times ahead for the gulf and the region's residents. That BP will also suffer does not trouble us in the least.

A version of this editorial appeared in print on June 3, 2010, on page A34 of the New York edition.

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Jun 4, 7:57 AM EDT

McDonald's pulls cadmium-tainted 'Shrek' glasses

By JUSTIN PRITCHARD Associated Press Writer

LOS ANGELES (AP) -- Cadmium has been discovered in the painted design on "Shrek"-themed drinking glasses being sold nationwide at McDonald's, forcing the burger giant to recall 12 million of the cheap U.S.-made collectibles while dramatically expanding contamination concerns about the toxic metal beyond imported children's jewelry.

The U.S. Consumer Product Safety Commission, which announced the voluntary recall early Friday, warned consumers to immediately stop using the glasses; McDonald's said it would post instructions on its website next week regarding refunds.

The 16-ounce glasses, being sold for about \$2 each as part of a promotional campaign for the movie "Shrek Forever After," were available in four designs depicting the characters Shrek, Princess Fiona, Puss in Boots and Donkey.

In the animated comedy, which debuted May 21 as the latest installment of the successful DreamWorks Animation franchise, the voice of Shrek is performed by Mike Myers of "Austin Powers" fame, Cameron Diaz performs as Princess Fiona, Antonio Banderas as Puss in Boots and

Eddie Murphy voices Donkey. The movie has been No. 1 at the box office since its release.

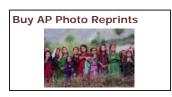
The CPSC noted in its recall notice that "long-term exposure to cadmium can cause adverse health effects." Cadmium is a known carcinogen that research shows also can cause bone softening and severe kidney problems.

In the case of the Shrek-themed





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Your Questions Answered

glassware, the potential danger would be long-term exposure to low levels of cadmium, which could leach from the paint onto a child's hand, then enter the body if the child puts that unwashed hand to his or her mouth.

Cadmium can be used to create reds and yellows in paint. McDonald's USA spokesman Bill Whitman said a pigment in paint on the glasses contained cadmium.



"A very small amount of cadmium can come to the surface of the glass, and in order to be as protective as possible of children, CPSC and McDonald's worked together on this recall," said CPSC spokesman Scott Wolfson. He would not specify the amounts of cadmium that leached from the paint in tests, but said the amounts were "slightly above the protective level currently being developed by the agency."

Wolfson said the glasses have "far less cadmium than the children's metal jewelry that CPSC has previously recalled."

Concerns about cadmium exposure emerged in January, when The Associated Press reported that some items of children's jewelry sold at major national chains contained up to 91 percent of the metal. Federal regulators worry that kids could ingest cadmium by biting, sucking or even swallowing contaminated pendants and bracelets.

The consumer protection agency has issued three recalls this spring for jewelry highlighted in the AP stories, including products sold at Wal-Mart, the world's largest retailer; at Claire's, a major jewelry and accessories chain in North America and Europe; and at discount and dollar stores.

Those recalls all involved children's metal jewelry - and all of that jewelry was made in China.

Manufactured by ARC International of Millville, N.J., the glasses were to be sold from May 21 into June. Roughly seven million of the glasses had been sold; another approximately five million are in stores or have not yet been shipped, said Whitman.

Associated Press reporters tried unsuccessfully to buy the glasses late Thursday at McDonald's in New York, Los Angeles and northern New Jersey but were alternately told the merchandise was sold out, no longer available or "there'll be more tomorrow."

E-mails sent after business hours to two spokesmen for ARC International seeking comment were not immediately returned.

McDonald's said it was asking customers to stop using the glasses "out of an abundance of caution."

"We believe the Shrek glassware is safe for consumer use," Whitman said. "However, again to ensure that our customers receive safe products from us, we made the decision to stop selling them and voluntarily recall these products effective immediately."

Whitman said that as the CPSC develops new protocols and standards for cadmium in consumer products, "we adjust as necessary to ensure that our customers can continue to trust what they receive from McDonald's."

Federal scrutiny of the glasses began last week. The Washington office of U.S. Rep. Jackie Speier, a California Democrat who has proposed strictly limiting cadmium in jewelry, received what a spokesman described as an

anonymous tip that testing with an X-ray gun that estimates how much cadmium an item contains indicated the metal was present in the glass paint. Speier's office requested samples of the glasses from the tipster, and upon receiving them May 27 sent them to the CPSC for further investigation.

"Our children's health should not depend on the consciences of anonymous sources," Speier said in a statement Friday. "Although McDonald's did the right thing by recalling these products, we need stronger testing standards to ensure that all children's products are proven safe before they hit the shelves."

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Council wants more information on energyrate adjustment

Randy Woock, Staff writer, TTi • June 04, 2010

Trinidad's city council voted Tuesday to seek additional information from the president of the Arkansas River Power Authority (ARPA) before deciding whether to approve a energy rate adjustment (ERA) consisting of a 3.7-percent to 3.8-percent cost increase for the city's Power and Light customers. If eventually approved, the ERA would be authorized from July 1 to Dec. 31.

ARPA General Manager William Leung had previously appeared before the council in April and in May to discuss ARPA-related issues, including a power rate increase and a power prepayment arrangement that the council approved last month.

Additionally, the average commercial customer could see a cost increase of about 4.5 percent if the ERA is approved, though Power and Light Superintendent Dave Brunelli told The Times Independent that the amount could vary based on consumption levels.

The ERA was first proposed in April by Brunelli in order to deal with a rate increase by ARPA, the power-purchasing consortium comprised of Trinidad and five other Colorado municipalities. The consortium raised its rates on member cities effective May 1 due to mechanical problems at its Lamar coal plant that had cut its productivity level and forced ARPA to purchase energy on the open market. ARPA is also facing possible legal costs from its legal confrontation with environmental group WildEarth Guardians, which is suing ARPA for possible environmental impacts from that Lamar coal plant.

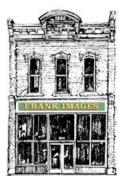
Effective May 1, each member municipality saw a base-energy rate increase of .7 cents per kilowatts hour (kWh), with an ECA of 4.61 cents per kWh. Brunelli told the council that each month that the city declined to approve the ERA cost the Power and Light Department \$35,000 - \$40,000 out of its reserves. The about \$1.5 million in the reserves, Brunelli estimated, could possibly last for about two years before being depleted. "We're required by the ARPA agreement to maintain our rates to pay all of our bills," Brunelli said. "That's the covenant we have with ARPA."

Brunelli also presented to the council estimates of residential power cost increases over the next few years, with a set of estimates featuring only the planned 4.8-percent annual increase and another set of estimates featuring the 4.8-percent annual increase plus the ERA. The 4.8-percent annual increase, first instituted in January, had been recommended by a power-rate study, conducted in 2009 by the Nebraska Municipal Power Pool that was intended to help the city's Power and Light Department cease operating at a loss. Before the January increase, the last power-rate increase had been instituted in 2002.

Brunelli cautioned that the estimates presented Tuesday might not be born out by actual energy prices through 2014. "We're trying to predict what the price of power is going to be for the next four or five years from now, which is almost impossible," he said.







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Projecting ahead, Brunelli estimated that low-end residential customers with an average use of 300 kWh per month and could see their monthly power bill — with just the expected 4.8 percent annual increase — increase about from a current monthly base cost of \$45.10 to a monthly cost of about \$46.86 in 2011, going on to about \$52.65 per month in 2014.

"That's a prediction," Brunelli said. "We don't know if that's going to be true or not."

The multi-year residential cost projections that included the ECA along with the annual 4.8-percent increases came in at slightly higher levels. For example, the aforementioned residential customer using an average of 300 kWh per month could see their monthly cost in 2011 rise to \$48.31, possibly climbing to \$54.32 monthly in 2014.

Residential consumers of larger amounts would see larger increases. Customers consuming an average of 2000 kWh per month would see — should the ECA be approved along with the annual 4.8-percent increases — an estimated increase from the current base cost of \$257.52 to a monthly cost of \$308.89 by 2014.

Brunelli also presented a rate tariff sheet from San Isabel Electric, an local energy provider with customers primarily in the county. Brunelli told the council that, based on estimates derived from the rate tariffs, energy costs to the city through San Isabel would be "slightly higher" than the city's current costs.

Council member Liz Aragon, who had called for previous tabling of the consideration of approval of the ECA in order for the council to receive the additional information Brunelli presented, called the data and estimates "worthless." "If you don't have San Isabel Electric standing up here giving us an option, a choice, when we don't have one — which I've asked for a month now — you can't tell us what it (comparative costs) are going to be," Aragon said. "This is just based a piece of paper you have. It doesn't come from the spokesperson at San Isabel to come to the city and say, 'if we had 4,000 more customers to our base, this is what we can do for you."

Adding, "If we don't have choices and we don't have options, all we have are rate increases."

Council member John Rino asked how, if it desired such, the city could opt out of ARPA. City Attorney Jerod Beatty had answered that the city was engaged in a long-term contract to purchase all of its power requirements from ARPA, but that it could attempt to legally argue that ARPA had failed to, "exercise reasonable diligence in its provision of power and energy for the city."

He cautioned, however, that such an attempt would be difficult and costly, adding that Raton had spent more then \$1 million in its 2008 attempt to extricate itself from ARPA. "It's not simple seeking relief from our obligations under our agreements with ARPA," he said. "We would be breaching our agreements if we did so (attempted to switch over to San Isabel as an energy provider)."

Rino also said that he believed that once the Lamar power plant came fully on line — currently expected for the end of the month — it could help provide Trinidad with power at a fair price. "As soon as they get the new power plant going at full capacity or full potential, what's going to happen is that we're going to get power at a reasonable cost, probably maybe the same or lower than San Isabel," Rino said. "It's not an easy situation at this particular point...what we have to do is survive the best we can until we can get this operation going. It (will) maybe take a year, two years to get it going at full operation, but I think it's worth while."

Council had also voted in May to approve a prepayment to ARPA of \$631,541 from the city's Power and Light Department reserve fund in order to help keep solvent the surety bonds the power-purchasing consortium had taken out to pay for the conversion of the Lamar plant. As part of the prepay agreement, the funds given by the city to ARPA will be repaid as

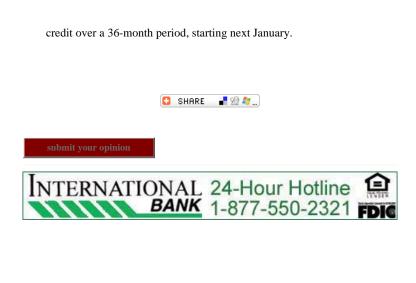














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Sewage spill blamed on vandals

By Colin McDonald - Express-News Web Posted: 06/04/2010 12:00 CDT

Vandals dropping rocks into a sewer pipe have caused a sewage spill of more than 100,000 gallons in a tributary of Salado Creek on San Antonio's North Side.

San Antonio Water System responded to the spill on Wednesday and temporarily stopped the overflow before safety concerns from the heavy rains and high winds stopped the work.

On Thursday morning the pipes again overflowed. After stopping the leak crews found large rocks had been dumped into the 18-inch pipe via a once-bolted-down-man-hole cover. Vacuum trucks are being used to capture as much of the sewage as possible which was pooled near Sir Winston Street, east of Blanco Road.

SAWS asks the public to call 704-7297 to report any suspicious behavior around manhole covers.

Find this article at: http://www.mysanantonio.com/news/environment/sewage_spill_on_north_side_95592314.html Check the box to include the list of links referenced in the article.



Source: Daily Environment Report: News Archive > 2010 > June > 06/03/2010 > News > In Brief > Air Pollution: EPA Adds Definition to Air Toxics Rule for Paints

105 DEN A-17

Air Pollution

EPA Adds Definition to Air Toxics Rule for Paints

The Environmental Protection Agency will amend its air toxics emissions standards for small paint and adhesive manufacturers to include a definition of hazardous air pollutants that addresses noncarcinogens, according to a direct final rule to be published in the Federal Register June 3. The direct final rule will not alter the national emissions standards for hazardous air pollutants for paints and allied products manufacturing that are area sources of air toxics. Instead, the rule will amend the definition of "material containing hazardous air pollutants" to include non-carcinogens in quantities of 1.0 percent by mass or more, as defined by the Occupational Safety and Health Administration. EPA had intended to include that language in its final rule, which was published Dec. 3, 2009 (74 Fed. Reg. 63,504). The air toxics standards set opacity limits to reduce particulate matter and requires work practices such as covering processing vessels to reduce emissions of hazardous air pollutants like benzene, methylene chloride, cadmium, chromium, lead, and nickel (221 DEN A-12, 11/19/09).

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Source: Daily Environment Report: News Archive > 2010 > June > 06/03/2010 > News > Water Pollution: New EPA Guidance Clarifies Requirements For Concentrated Animal Feeding Operations

105 DEN A-15

Water Pollution

New EPA Guidance Clarifies Requirements For Concentrated Animal Feeding Operations

Guidance issued by the Environmental Protection Agency May 28 is aimed at clarifying what concentrated animal feeding operations must do to comply with federal clean water regulations and to help CAFO owners determine whether they need a permit.

The guidance is designed to help owners and operators do an assessment of their feedlots and to help authorities determine whether the feedlots are in compliance with EPA rules.

Under EPA regulations at 40 C.F.R. Part 122.23, CAFOs must obtain a National Pollutant Discharge Elimination System permit if they discharge or propose to discharge pollutants. The rules say that a CAFO proposes to discharge if "based on an objective assessment it is designed, constructed, operated, or maintained such that a discharge will occur."

The guidance sets out the parameters for doing such an assessment, addressing issues such as possible sources of pollutants and other factors.

The guidance, *Implementation Guidance on CAFO Regulations—CAFOs That Discharge or Are Proposing to Discharge*, follows a final settlement in the U.S. Court of Appeals for the Fifth Circuit Court in which EPA agreed to tighten oversight of animal feedlots where bacteria, viruses, and parasites from animal waste can pollute nearby waterways (*NRDC v. EPA*, 5th Cir., No. 08-61093, 5/25/10; 101 DEN A-10, 5/27/10).

Under the settlement, EPA agreed to make publicly available by May 28 guidance to help authorities implement NPDES permit regulations and effluent limitations guidelines and standards for CAFOs by specifying the circumstances that trigger the duty to apply for permits.

Also under the agreement, EPA agreed to propose within one year a rule to require all CAFOs to submit details to the agency about their operations and to update the information every five years.

Guidance Addresses Objective Assessments

According to the guidance, an objective assessment should take into account not only the man-made aspects of the CAFO itself, but climactic, hydrologic, topographic, and other characteristics beyond the operator's control that affect whether the CAFO will discharge given its design, construction, operation, or maintenance.

The assessment should consider the possible sources of pollutants at the CAFO, such as: animal confinement areas; feed storage areas; manure, litter, and process wastewater storage areas; confinement house ventilation fan exhaust; land-applied manure, litter, or process wastewater; and other site-specific pollutants, as well as any pathways for pollutants from the CAFO to reach waters of the United States.

Relevant factors include proximity of the CAFO to waters of the United States and whether it is upslope; discharge history; climate; type of waste-storage conditions; drainage, exposure of animal waste and feed to precipitation or other waters.

When determining whether to seek permit coverage, EPA said, CAFO owners and operators should use the results of their objective assessments, "relying on factual information" to make an informed decision about whether the CAFO discharges or proposes to discharge.

Even if it has never previously discharged, the guidance said, the CAFO "could be proposing to discharge" due to design and construction of the facility, management practices, or other site-specific

characteristics, "whether within the CAFO/owner/operator's control or not."

To help CAFO operators make an objective assessment and to provide assurance for those that determine they are not required to obtain permit coverage, the CAFO rule provides a voluntary nodischarge certification option.

'Rigorous Evaluation.'

The guidance said EPA encourages CAFOs that choose not to certify, as well as CAFOs in authorized states that do not adopt the certification option, to consider the criteria for certification eligibility, including "a rigorous evaluation of the production area and implementation of a nutrient management plan," when deciding whether to seek or renew permit coverage.

For any unpermitted CAFO, EPA said, the objective assessment is "an ongoing process" as CAFO operations change over time.

EPA recommended that an unpermitted CAFO keep records of its operations and maintenance and continually assess whether current circumstances warrant NPDES permit coverage.

CAFO records should include: drainage maps, operating procedures and inspection records, and records of nutrient management planning and how land application protocols are being implemented.

According to EPA, design, operation, and maintenance are equally important components of a CAFO's operation. Relevant areas of consideration in determining whether a CAFO discharges or proposes to discharge include the animal confinement area, waste storage and handling, mortality management, and land application practices, the guidance said.

Factors to consider in deciding whether a CAFO discharges or proposes to discharge based on its animal confinement area include whether there are structural controls to divert clean water and inspection and maintenance schedules for these controls.

Siting, design, and construction are important considerations when determining whether a CAFO has an adequate waste storage and handling system in place, EPA said. Waste storage and handling practices differ depending on whether the CAFO's waste handling system is dry, liquid, or a combination of both, the guidance said.

The guidance also outlined examples factors to be considered for the dairy sector, beef cattle sector, swine sector, and poultry sector.

Manure contains the nutrients nitrogen and phosphorus, which, when not managed properly on agricultural land, can pollute nearby streams, lakes, and other waters.

According to the guidance, discharges from CAFOs are not limited to manure or manure nutrients, as the Clean Water Act and its implementing regulations prohibit the discharge of "any pollutant" from a point source.

Pollutant means "dredged spoil, solid waste, incinerator residue, sewage, garbage, sewage sludge, munitions, chemical wastes, biological materials, radioactive materials, heat, wrecked or discarded equipment, rock, sand, cellar dirt and industrial, municipal, and agricultural waste discharged into water."

The settlement resolves a case that originated in December 2008 when the Natural Resources Defense Council, Sierra Club, and Waterkeeper Alliance petitioned a federal court to review a regulation under the Clean Water Act that required only certain CAFOs, or factory farms, to apply for wastewater discharge permits.

The 2008 rule revised the prior requirement for all CAFOs to apply for NPDES permits, and instead required only those CAFOs that discharge or propose to discharge to apply for permits.

By Linda Roeder

More information on CAFOs, including links to Implementation Guidance on CAFO Regulations? CAFOs That Discharge or Are Proposing to Discharge, is available at http://www.epa.gov/npdes/caforule.

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THE WALL STREET JOURNAL.

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JUNE 3, 2010, 3:39 P.M. ET

EPA Finalizes One-Hour Limits for Sulfur-Dioxide Emissions

WASHINGTON—The U.S. Environmental Protection Agency Thursday issued a final airquality standard for sulfur dioxide, requiring hourly limits to protect against aggravating respiratory problems like asthma.

The one-hour standard, which would require cleaner emissions from coal-fired power plants and other industrial emitters at 75 parts per billion, is designed to protect against short-term exposure ranging from five minutes to 24 hours.

"Moving to a one-hour standard and monitoring in the areas with the highest SO2 levels is the most efficient and effective way to protect against sulfur dioxide pollution in the air we breathe," said EPA administrator Lisa P. Jackson in a statement. "This new standard—the first in almost 40 years—will ensure continued success in meeting these challenges."

The previous standards, set in 1971, were annualized or 24-hour averages and don't account for short-term peaks in emissions.

Pat D. Hemlepp, a spokesman for American Electric Power Co., said the new EPA guidelines wouldn't necessarily force the company to make changes in its emissions any time soon. "This could eventually require changes for our sources, but we do not know the impacts yet," he said.

positive. "Amid all the grim environmental news, this is literally a breath of fresh air," said Frank O'Donnell, president of Clean Air Watch. "It will provide much-needed relief to communities beset with dangerous sulfur dioxide pollution."

Although Clean Air Watch was hoping the EPA would limit emissions to 50 parts per billion, as opposed to 75 parts per billion, Mr. O'Donnell said he was still pleased with the outcome.

"They didn't go as far as we would have liked," he said. "However, it is still a step in the right direction."

The new standard is for local emissions, and is separate from the EPA's reconsideration of broader national rules for sulfur dioxide and nitrogen oxides.

Write to Shayndi Raice at shayndi. raice@dowjones.com

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Reactions from environmental groups were



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Regulators yank two new drilling permits

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By JENNIFER A. DLOUHY Copyright 2010 Houston Chronicle

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WASHINGTON — Federal regulators on Thursday rescinded two new offshore drilling permits - less than 24 hours after authorizing them — as part of a temporary halt to oil and gas exploration in shallow Gulf of Mexico waters.

Oil and natural gas producers drilling in 500 feet or less of water will be able to resume operations once they resubmit exploratory plans and comply with new safety standards the Interior Department is set to begin advancing soon. In a drilling safety report issued May 27, Interior Secretary Ken Salazar provided a hint of some of the new requirements, including recertification of essential safety equipment and stiffened standards for capping wells.

It is appropriate to begin "pulling back exploration plans ... and requiring them to be updated with new information" about safety and risk, said Bob Abbey, director of the Bureau of Land Management.

Interior Department officials rejected assertions the temporary

pause for exploration plans to be revised and new safeguards to be implemented represented a ban on shallowwater drilling

The federal government has already banned drilling in deeper depths of more 500 feet for at least six months, in response to the April 20 explosion on the Deepwater Horizon rig and the resulting spill of oil from a BP well about a

"Shallow-water drilling may continue as long as oil and gas operations satisfy the environmental and safety requirements Secretary Salazar outlined in his report to the president and have exploration plans that meet those requirements," Interior Department spokeswoman Kendra Barkoff said. "There is no moratorium on shallow-water

Wider ban feared

Fears of a broader ban were stoked Thursday when a regional supervisor for the federal Minerals Management Service e-mailed an oil and gas company inquiring about already submitted permit applications that "we have been informed not to approve or allow any drilling no matter the water depth.

Also Thursday, the MMS rescinded two new permits to drill in shallow Gulf of Mexico waters that had been approved one day earlier. One was for Bandon Oil and Gas to drill a well in 115 feet of Gulf of Mexico waters south of Louisiana's Vermilion Parish and the Rockefeller State Wildlife Refuge and Game Preserve. The other rescinded permit was granted to Houston-based Phoenix Exploration Co., to drill in 65 feet of water south of Louisiana's Chandeleur Islands

"We have more questions than we have answers from the MMS," said Jim Noe, the CEO of Delta Towing, a unit of Houston-based Hercules Offshore, and senior vice president of Hercules, which was contracted to drill the Phoenix project.

Clarity may come in the form of a notice to lessees that will spell out the new safety requirements. The Interior Department is expected to send that notice soon, possibly as early as today.

"Until that time, we don't know what additional requirements and additional information will be required." Noe said, Some possible changes — such as recertifying safety equipment — could be conducted quickly, he said. Others

Randy Stilley, the CEO of Houston-based Seahawk Drilling, contracted to drill the Bandon well, said he is hopeful the delay will be brief. Stilley said he suspects the Interior Department is playing catch-up in trying to advance the safety standards before it issues new permits.

Requirements for additional testing and more safety drills — as well as possibly more robust environmental assessments — are generally things the industry won't find unreasonable, Stilley said.

In unveiling his safety recommendations last week, Salazar noted some measures could be implemented immediately, but others would take time. The federal government will have to go through a formal rule-making process — which can take months — to implement some of the new requirements.

Lawmakers and drilling contractors have urged the government to allow shallow-water operations since new permits were halted early last month. They feared that because it takes less time to drill wells at such depths, any halt on shallow-water permitting could quickly cause oil field workers to lose their jobs, and the effect could ripple to related industries onshore.

The supporters have described shallow-water operations as safer than their deeper counterparts, like the destroyed Deepwater Horizon and leaking BP well. In shallow drilling, critical safety devices are easily accessible -

"With the blowout preventer on the surface, you can touch it and manually operate it with simple controls," Noe noted.

Activists concerned

It wasn't only the industry questioning what the rules were Thursday.

"The Interior Department has proven itself incapable of controlling the Minerals Management Service or articulating

clear, consistent drilling policies," said Kierán Suckling, executive director of the Phoenix-based Center for Biological Diversity, an environmental group. "No one seems to know what the policies are from day to day, or even

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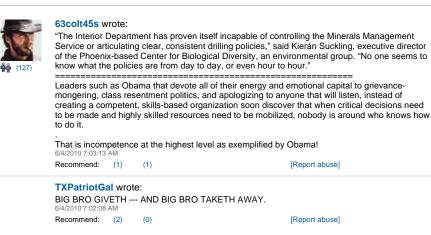
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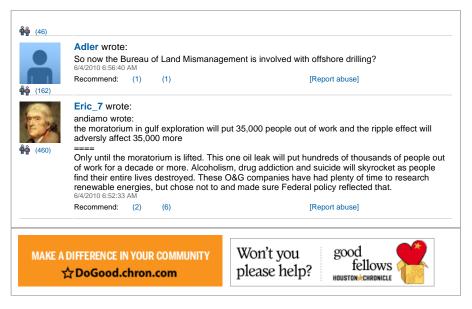
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Gas is gaining environmental groups' favor, but with caveats

Posted Thursday, Jun. 03, 2010

BY JACK Z. SMITH

jzsmith@star-telegram.com

HOUSTON -- Representatives of two leading environmental organizations expressed conditional support for shale gas drilling Thursday but called on the energy industry to embrace stronger government regulations designed to curb abuses by "bad actors" among them.

Bruce Nilles, deputy conservation director for the Sierra Club, and Ramón Alvarez, senior scientist with the Environmental Defense Fund, said natural gas can play a significant role in helping the U.S. to rely less on coal and to expand use of renewable energy like wind and solar power.

But in comments at the ninth annual Gas Shales Summit in Houston, they said drilling in the gas-rich Barnett Shale of North Texas and other major gas-shale fields needs to come under stronger regulatory scrutiny.

Texas is "kind of out of control now" from an environmental standpoint, Nilles said.

"You have the second-dirtiest air in the country," yet the state is considering construction of power plants fired by coal, the most polluting of the fossil fuels, he said.

"Why are you doing this in the largest-gas-producing state in the nation?" he said.

Additional coal plants would only reduce demand for natural gas, he said.

Defenders of coal argue that it is a cheap, abundant energy source and that new coal plants have reduced emissions of pollutants.

Nilles said federal regulation is needed to help ensure stronger protection against environmental abuses from drilling and completion of oil and gas wells.

"Everyone I have talked to" in the industry acknowledges that state agencies don't have sufficient regulatory staff and that there are "bad actors" in the industry, he said. "We need responsible drilling. ... The notion that we're going to leave this to the states is a nonstarter."

Environmental groups have argued that hydraulic fracturing, widely used in completion of wells in the Barnett and other shale-gas fields, should no longer be exempt from regulation under the federal Safe Drinking Water Act.

In the so-called fracking process, large volumes of water and sand, along with a much-smaller volume of chemicals, are pumped underground under high pressure to fracture tight rock formations and allow more gas to flow into a wellbore.

Environmental groups are demanding more specific disclosures about the types and quantities of chemicals used during the process.

Critics say fracking could contaminate groundwater, but the industry insists that no such problem has resulted from more than 1 million wells fractured over 60 years. Moreover, energy companies say state agencies should continue to regulate the process.

Alvarez says hydraulic fracturing itself is not the real environmental problem.

"We believe well construction is probably the most significant issue," he said, explaining that there is concern over improper cementing of wells that could allow gas to escape outside a wellbore and pollute groundwater supplies.

The federal Environmental Protection Agency is undertaking a study of hydraulic fracturing that it said will look at potential effects on ground and surface water, human health and the environment in general. The study is expected to be completed in 2012.

Alvarez said the natural gas industry must make stronger efforts to reduce emissions of substances such as benzene, a potential cancer-causing agent, from equipment like storage tanks and gas compressor units. That's especially important in the Barnett Shale, where more than 2,000 wells have been drilled in highly populated Tarrant County, he said.

Public acceptance of drilling "is going to depend on how the industry addresses these issues," said Alvarez, who was highly critical of the Texas Commission on Environmental Quality, the state agency that regulates air emissions.

JACK Z. SMITH, 817-390-7724

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Senators back Jindal agenda

- By MICHELLE MILLHOLLON
- Advocate Capitol News Bureau
- Published: Jun 3, 2010 Page: 1A

Comments (0)

A series of bills that are a focal point of Gov. Bobby Jindal's legislative package cleared the state Senate on Tuesday.

The measures would change the rules on state trust funds to make it easier for them to be used to tackle the \$3 billion shortfall facing state government over the next two years.

Senate President Joel Chaisson II, D-Destrehan, said the legislation is necessary to deal with the tough budget times ahead.

"(We) must leverage our existing resources to protect our priorities," Chaisson said.

The bills now head to the Louisiana House, where leaders are on record as being lukewarm to the legislation.

The proposals are constitutional amendments that require two-thirds approval of the Legislature and a vote of the people.

The package consists of:

- Senate Bills 1 and 2 to allow the state to take money out of the "rainy day" fund when federal funds to the state drop. Currently, the fund can only be tapped when state revenue decreases. SB1 cleared 30-7 with SB2 advancing on a 29-9 vote.
- Senate Bills 391 and 392 to increase the amount of dedicated funds that can be cut during a financial downturn. Currently, funds protected by the constitution or state law can only be trimmed by 5 percent during a downturn. The bills would increase that amount to 10 percent. Funds set up for transportation or conservation needs would be exempt. SB391 cleared 36-2 with SB392 advancing on a 35-3 vote.
- Senate Bills 410 and 434 to generate an additional \$30 million a year for health care by changing the distribution of funds that flow from the state's tobacco settlement money. The Louisiana Fund, which is used for children's health insurance, health clinics, tobacco-related illnesses and other expenses, would get a bigger deposit of the funds than the Millennium Fund, which benefits the Taylor Opportunity Program for Students, called TOPS, and other initiatives. SB410 cleared 29-8 with SB434 advancing on a 29-9 vote.

The bills are considered controversial. The Louisiana Association of Business and Industry, a lobbying group, urged lawmakers to oppose some of the legislation.

As lawmakers made their decision on the initial part of the package, Chaisson studied the vote board mounted on the back wall of the Senate and dispatched an assistant to find state Sen. J.P. Morrell, who was absent for the votes on SB1 and 2. Morrell, D-New Orleans, showed up in time to vote in favor of the rest of the package.

In the end, the bills drew opposition from Democrats and Republicans but not enough to doom them.

State Sen. Jack Donahue, R-Mandeville, said lawmakers may be rolling budget problems down the hill.

He said state government is going to have to downsize.

State Sen. Mike Michot, R-Lafayette, defended the "rainy day" fund legislation. He said the fund, also called the Budget Stabilization Fund, exists to stabilize the state's finances.

"Things change. Situations change. Times change," Michot said.

Opponents counter that using the one-time money to pay for services — rather than cutting the spending — makes the problem worse in future years.

Chaisson argued that current rules make the fund virtually untouchable. "It's an \$850 million-plus savings account that we can't use even though we desperately need it," he said.

Chaisson said the state has a revenue problem as well as a spending problem. "Some people out there would like to see nothing but budget cuts — the consequences be damned," he said.

The mood turned lighthearted as senators ribbed Chaisson for repeatedly reminding them that legislation similar to SB391 unanimously cleared the state Senate last year. The House and Senate ultimately worked out a compromise on the bill but did not vote on the changes before the 2009 session adjourned.

Chaisson groused Tuesday about the time it took for the fate of SB391 to be determined. Senators had questions, and amendments further stalled the process.

At one point, state Sen. Julie Quinn, R-Metairie, jokingly wondered aloud from her seat on the Senate floor whether the legislation unanimously passed the Senate last year.

Chaisson heard her and quickly told her it did.

"I'm joking Joel," Quinn said. "You've said it nine times."

State Sen. Ann Duplessis, D-New Orleans, then walked up to the podium on the Senate floor.

"Can you tell me what the vote was last year?" she asked.

Later in the day, a visiting former Gov. Mike Foster told legislators that they should have no guilt about using the "rainy day" fund to address the state's financial problems.

"If this isn't a rainy day, then what is?" said Foster, who was governor when the "rainy day" fund was created.

On SB1, the vote breakdown was:

Voting FOR expanding use of the "rainy day" fund (30): Senate President Chaisson and state Sens Adley, Broome, Chabert, Cheek, Crowe, Donahue, Dorsey, Duplessis, Erdey, B. Gautreaux, Guillory, Hebert, Heitmeier, Jackson, Kostelka, LaFleur, Long, Marionneaux, Martiny, Michot, Morrish, Mount, Murray, Nevers, Peterson, Quinn, Shaw, Smith, and Thompson.

Voting AGAINST expanding use of the "rainy day" fund (7): State Sens Alario, Amedee, Appel, Claitor, N. Gautreaux, Riser and Walsworth.

NOT VOTING (2): Sens McPherson and Morrell.

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EPA Issues Draft Rule Proposal

New permit would not cover terrestrial application on agricultural

Compiled by staff

Published: Jun 3, 2010

The U.S. Environmental Protection Agency is proposing a new permit requirement that it says would decrease the amount of pesticides discharged to our nation's waters and protect human health and the environment. According to EPA the new permit would not cover terrestrial application to control pests on agricultural crops or forest floors. EPA estimates that the pesticide general permit will affect approximately 35,000 pesticide applicators nationally that perform approximately half a million pesticide applications

The proposed permit would require all operators to reduce pesticide discharges by using the lowest effective amount of pesticide, prevent leaks and spills, calibrate equipment and monitor for and report adverse incidents. Additional controls such as integrated pest management practices are built into the permit for operators who exceed an annual treatment area threshold.

The agency's draft permit covers pesticide use for mosquito and other flying insect pest control; aquatic weed and algae control; aquatic nuisance animal control; and forest canopy pest control. The agency plans to finalize the permit in December 2010. It will take effect April 9 of 2011.

According to Peter Silva, Assistant Administrator for EPA's Office of Water, EPA believes this draft permit strikes a balance between using pesticides to control pests and protecting human health and water quality. The EPA proposal is in response to an April of 2009 court decision that found pesticide discharges to U.S. waters were pollutants thus requiring a

The Ranking Member of the Senate Agriculture Committee Saxby Chambliss, R-Ga., has voiced his disappointment with the proposed draft. He says that by refusing to defend current law and its own reasonable regulations EPA is planning to place unnecessary, burdensome and duplicative permit requirements on producers, mosquito control districts and states. Chambliss says more regulation is not the key to economic recovery, especially when the regulation does absolutely nothing to further protect or enhance the environment

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EPA: United States Environmental Protection Agency

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News Releases By Date

Superfund Job Training Initiative Provides Opportunities for Citizens Living Near the Tar Creek Site

Release date: 06/03/2010

Contact Information: Dave Bary at 214-665-2200 or r6press@epa.gov

(Dallas, Texas – June 3, 2010) The Environmental Protection Agency (EPA) has implemented the Superfund Job Training Initiative (SuperJTI) for the Tar Creek Superfund Site in Northeast Oklahoma. The program builds a foundation for hope and a brighter future for the program's men and women who will begin their careers as environmental workers for the Tar Creek Site.

SuperJTI is a job readiness program designed to provide training and employment opportunities for underserved citizens living in communities affected by Superfund sites.

The SuperJTI Program at Tar Creek began in May 2010, with a three-week training period. In all, 250 people expressed interest in participating in the program. Screening and testing reduced the number to 56. From there, 26 applicants underwent three weeks of screening and testing, followed by pre-employment aptitude examinations. Candidates recruited for the program are residents of economically depressed rural areas neighboring Tar Creek.

"Our job training initiative is putting people and property back to work," said EPA Regional Administrator Al Armendariz. "Training citizens to clean up their own neighborhoods will provide jobs and improve lives."

EPA offers SuperJTI training through its Technical Assistance Services for Communities (TASC) program, which provides independent educational and technical assistance to communities affected by Superfund sites.

The Superfund program uses its experience working with communities to create partnerships with local businesses, universities, labor unions, community and social service organizations, and other federal agencies to address local workforce issues. EPA's goal is to help communities develop job opportunities and partnerships that remain long after a Superfund site is cleaned up.

The initiative benefits communities by providing job opportunities for qualified residents, increasing the skills of the local labor pool, and supporting the work of local agencies already working for the improvement of their communities. The SuperJTI program combines extensive classroom instruction with hands-on work experience for each participant. SuperJTI graduates have the basic technical skills to work at Superfund sites, construction projects, and hazardous waste processing companies. The participants will graduate from the SuperJTI program on June 4, 2010. Upon graduation all participants will be available for hire.

The Tar Creek Superfund site includes approximately 40 square miles in northern Ottawa County, Oklahoma, where lead and zinc were mined from 1891 until 1970.

More about activities in EPA Region 6: http://www.epa.gov/region6

EPA audio file is available at http://www.epa.gov/region6/6xa/podcast/jun2010.html

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The Energy Bill's Moment of Opportunity

by **Daniel Stone**June 03, 2010



Gerald Herbert

A timeline of the devastation in the gulf.

A Timeline of the BP Oil Spill in the Gulf of Mexico

If photos of dead birds and soiled beaches don't make you long for a horizon covered in wind turbines and solar panels, odds are nothing will. That's the reasoning President Obama is hoping will add a needed nudge to the climate and energy bill currently stalled in the Senate. Sens. Kerry and Lieberman—with the White House's nod—introduced their energy bill two weeks after the incident in the gulf. To bring the maximum number of Republicans on board, it included drilling.

Make no mistake: any energy bill that ends up on Obama's desk will include drilling. Not accounting for the risk of disasters like spills, oil remains cheap and, except in the case of deepwater excavation, relatively accessible. The industry has also invested too many billions over the past decade to unearth oil in more remote, harder-to-reach places for the whole industry to dry up. Besides, even if American drilling were to come to a screeching halt, other countries' ongoing projects wouldn't, and the oft-cited amount of money spent on foreign oil imports—\$30 billion a month—would continue to creep quickly upward.

Long term, however, might be a different story. In his speech at Carnegie Mellon University on Friday, Obama claimed that the "vision we have for our children and grandchildren" shouldn't be a future based solely on fossil fuels. Risks inherent in extracting oil, he said, will only grow over time. And eventually, if we don't innovate, we'll be positioned drastically behind (and dependent upon) countries that did.

The question, then, is whether images from the spill will add some urgency to passing the Kerry bill, which also includes hefty incentives for renewable energy and R&D for entirely new

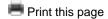
forms. The conventional wisdom has been no—that drilling-state senators like Alaska's Lisa Murkowski would hold up any bill that would cost their fossil-fuel-rich economies any loss. "Drill, baby, drill" Republicans have demanded oil be included before they jump on board any energy bill. But now that it looks bad to stand up and support drilling, they'd rather run out the clock than give in and, in doing so, cost their states billions.

Yet the key push is likely to come instead from the private sector, where legislating actually gets done—in the lobby shops of K Street and, to a lesser extent, in angry people's living rooms. The more the oil gusher pollutes the gulf, and the more uninhabitable it makes the Louisiana and Alabama coasts, the more likely the public is to shift its opinion, which has slowly migrated away from an insistence on more drilling since the gulf started filling with crude.

Politics always has an element of mystery; no one really knows how something will end until it actually ends (see: care, health). But we can be sure that the sad story in the gulf will only bring about more public disgust—at BP, at the government, and at the role of oil in America's energy landscape. As that chorus grows louder, the wind and solar folks will sleep better and better.

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Picher buyout lawsuit grows to 270 plaintiffs

by: MCT Regional News Thursday, June 03, 2010 6/3/2010 10:07:59 AM

PICHER, Okla. -- The number of people who are suing over how their properties were handled in the federally funded buyout in Picher and Cardin now stands at about 270.

A petition, recently filed in Tulsa County District Court, added 67 residents to the initial lawsuit that accuses several insurance companies and two appraisal companies of working with the Lead-Impacted Communities Relocation Assistance Trust to lowball or undervalue the buyout offers.

More than 700 pieces of property are involved in the \$60 million buyout, which is expected to be completed later this year.

John Wiggins, one of the Oklahoma City attorneys representing the relocated residents, said in a telephone interview Wednesday that the 67 Picher-Cardin residents who have been added were not included in the original case.

"These are the same allegations, the same case," Wiggins said. "These are people who want to join the original case. We think this will do it. The universe of potential plaintiffs is closed now."

The lawsuit names as defendants Cinnabar Service Co. and Van Tuyl & Associates, the Tulsa appraisal companies; 10 insurance companies; state Secretary of the Environment J.D. Strong; and Larry Roberts, operations manager for the trust.

Mark Osborn, a Miami physician who serves as chairman of the trust, and Scott Boughton, assistant state attorney general who serves as the trust's lawyer, have said they are not commenting about the litigation.

Trust officials previously have said that the majority of Picher's relocated residents received fair deals or they would not have accepted the buyout offers from the trust.

An effort by the insurance companies to have the case moved from state court to federal court failed when Chief U.S. District Judge Claire Eagan ruled on April 30 in Tulsa that the case should be returned to state court.

A second lawsuit that was filed in Ottawa County District Court in Miami against the trust was dismissed by a judge who was assigned to hear the case when Ottawa County judges recused themselves.

The lawyers in that case, Wiggins and Jeff Marr, appealed to the Oklahoma Supreme Court, which decided to hear the case in January. Wiggins said the court has not issued a decision in that appeal.

In that lawsuit, the plaintiffs challenged the legislation that created the trust to oversee the buyout of residential and commercial properties in the former lead and zinc mining field. The Tar Creek Superfund Site is contaminated by acidic mine water and mountains of mining waste called chat, and faces a risk of cave-ins.

The lawyers are arguing that the legislation is unconstitutional because it shields the trust, which is using taxpayer money, from judicial scrutiny. The lawsuit also alleges that the trust violated the state's open meetings law when it invited non-trust members into closed-door sessions to decide the buyout offers.

Trust history

The Lead-Impacted Communities Relocation Assistance Trust was formed in 2006 after a study by the Army Corps of Engineers found that the abandoned mines under Picher, Cardin and Hockerville had a high risk of caving in.

Associate Images:

Tulsa World Page 2 of 2



Gate leading to the Sooner chat pile in Picher. GARY CROW/For the Tulsa World

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Return to Story



I called the Minerals Management Office's Office of Public Affairs and asked two questions:

Health Care (20)

Human Rights (4)

- 1) Who specifically approved the permit?
- 2) Can MMS provide provide to the public Bandon's disaster recovery and response plan?

The spokesperson I called at the MMS stated that they will have a statement within the next two hours. It is now 12:55 PM PST. I'll keep you posted.

MMS's contact information is: MMS Office of Public Affairs, 1849 C Street, NW, Washington, D.C. 20240, Phone: (202) 208-3985 Contact: Nicholas.Pardi@mms.gov

FREE SMART PHONE APPS TO HELP DOCUMENT THE DAMAGE OF THE "OIL SPILL"

If you live in the Gulf Coast, please take pictures or videos of the oil slicks. We just wrote some iPhone, Android and Blackberry software that will help you document the damage. It is specially useful if you're a boat owner or clean-up volunteer to take pictures and video. Please note time and place. Some smart phone cameras' GPS chip will record location even when there is no cell signal.

Documentation of the damages is going to be critical to the people of the gulf coast. Before and after pictures and videos will be particularly helpful.

Feel free to download the apps. They are free.

iPhone App - http://foo.am/dH4

Android App - http://foo.am/dH3

Blackberry App - Point your Blackberry web browser to: http://swooshsoftware.com/SpillReporter.jad

If you have a regular digital video or still camera, up load your images to: http://gulfcoastspill.com

Huge shout out to our developer friends at Intridea and UK-based Heamish Graham from Swoosh Software!

SPECIAL TWITTER CLIENT TO GET ALL RELATED TWEETS

We now have a special Twitter client to help organize all the tweets and other social network information on the spill. You can also try the special twitter app at Tweeb.us. Shout out to Invention Arts of San Francisco.

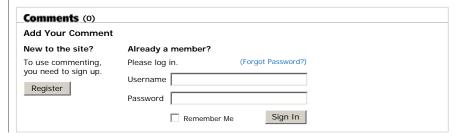
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The site is an all-volunteer effort and a work-in-progress and we'll be installing search image capabilities soon. DO NOT SEND US MONEY at the Gulf Coast Spill Coalition! Donate to the Sierra Club, Greenpeace, Mobile Bay Keeper, SaveOurGulf.org or some other reputable charity of your choice. We are archiving all the pictures and video for full public use. We will soon have full search capabilities on all relevant pictures and video care of our friends at EdgeCase.

Posted By: Yobie Benjamin (Email) | June 02 2010 at 01:26 PM
Listed Under: Green & Environment | Comments (0): Post Comment

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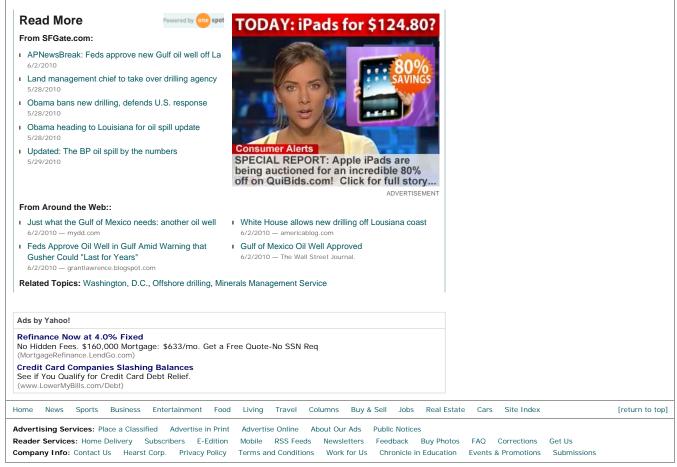


Yobie Benjamin

Hacking Capitalism, Carbon,
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TCEQ Fines: 06.03.10

Staff Reports

Thursday, June 3, 2010

Texas Commission on Environmental Quality commissioners approved these fines Wednesday:

n DCP Midstream, Falfurrias

\$10,127, air violations, investigated Aug. 17-Sept. 15, for failure to prevent unauthorized emissions and to submit initial notification of the incident.

Correction: The company reviewed the notification requirements with operators to ensure timely reporting and will implement and complete a supplemental environmental project.

n Donald Stewart dba Riviera Truck and Auto Service, Riviera

\$8.925, petroleum storage tank violations, investigated March 24 and June 1, 2009, for failure to notify the commission of any changes or additional information regarding the tanks from within 30 days from the date of the occurrence of change or addition; to permanently remove from service, within 60 days, a tank system for which an applicable component of the system is not brought into timely compliance with the upgrade requirements; to pay outstanding tank fees and associated late fees.

Correction: The respondent shall send his tank fuel delivery certificate to the commission, submit payment for the outstanding fees, submit a property completed tank registration form and submit written certification demonstrating compliance.

n Rod C. Oliver, Three Rivers

\$5,250, petroleum storage tank violations, investigated Dec. 5, 2008, for failure to permanently remove from service, within 60 days, a tank system for which any applicable component of the system is not brought into timely compliance with the upgrade requirements and to pay outstanding tank fees and associated late fees.

Correction: The respondent shall permanently remove the tank system from service, remit the first monthly payment for outstanding fees and submit written notification to demonstrate compliance.

n Nueces Electric Cooperative, Robstown

\$4,131, petroleum storage tank violations, investigated Nov. 9, for failure to renew a delivery certificate by submitting a properly completed tank registration and self-certification form at least 30 days before the expiration date; to have a valid certificate before receiving a fuel delivery, to provide a release detection method for the tanks by failing to conduct reconciliation of inventory control records at least once a month; and to inspect all pumps, manways, overspill containers or catchment basins associated with the tank system at least once every 60 days.

Correction: The company submitted a properly completed tank registration and selfcertification form, began conducting volume measurements and reconciliation of inventory control records and began inspecting the overspill containers.

n Eluterio Elizondo, Freer

\$2,625, petroleum storage tank violations, investigated April 9, 2008, for failure to permanently remove from service, within 60 days, a tank system for which any applicable component of the system is not brought into timely compliance with the upgrade requirements; ensure that any residue from stored regulated substances which remained in the tanks did not exceed a depth of 2.5 centimeters at the deepest point and 0.3 percent by weight of the system at full capacity; and to maintain all piping, pump, manways, tank access points and ancillary equipment in a capped, plugged, locked and/or otherwise secured manner to prevent access, tampering or vandalism.

Correction: The respondent permanently removed the tanks from service and shall submit all data necessary to complete the release determination report for the removal of the tank system. He also must completely and adequately respond to all requests for information about the tank removal.

n City of Austwell

\$0, water violations, investigated June 30, for failure to install, before plant startup, adequate safeguards to prevent the discharge of untreated or inadequately treated wastes during electrical power failures by means of alternative power sources, standby, generators and/or retention of inadequately treated wastewater; to have all required monitoring and reporting records available for review upon request; and to ensure measurements, tests and calculations are accurately accomplished in a representative manner.

Correction: The respondent plans to provide emergency power for the wastewater treatment plant by either obtaining a mobile generator or installing a stationary generator and shall begin accurately calculating all loading parameters and performing corrections for chlorine analyses, submit meter calibration and monitoring activity reports including the date and time of sampling and analysis for dissolved oxygen, pH

and chlorine residual for June 2009; conduct training to ensure that all quality assurance measures are performed properly; provide adequate safeguards to prevent the discharge of untreated or inadequately treated wastes during electrical power failures; and submit written certification demonstrating compliance.

-- Compiled by Fanny S. Chirinos



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Texans in Congress say drilling support not tied to oil industry donations

07:00 AM CDT on Thursday, June 3, 2010

By MELANIE MASON / The Dallas Morning News mmason@dallasnews.com

WASHINGTON – Texans in Congress – many of whom have received hefty campaign contributions from the oil industry – are standing firm in their support for offshore drilling as oil gushes into the Gulf of Mexico.

Some of the state's lawmakers are also among the most outspoken critics of President Barack Obama's order suspending deepwater exploration.

"It's exactly the wrong decision," said Rep. Joe Barton, R-Arlington, who has received more oil industry donations than any other current U.S. House member.

"It's going to raise unemployment, and it's going to raise oil prices."

Federal campaign records show that nearly a third of the Texans in Congress get more donations from oil and gas companies than from any other industry.

Most of the recipients are Republicans, though a few of the state's 12 House Democrats have also benefited.

With the BP spill in its seventh week of devastating the gulf, questions are mounting about how well the federal government has regulated such drilling and whether administration officials and Congress have been too cozy with the oil industry.

Barton and others insist that their views on the BP spill and deepwater drilling policy aren't swayed by the financial support. Critics of corporate contributions are skeptical.

"Companies do not give contributions out of an altruistic feeling of supporting the democratic process," said Tyson Slocum, energy program director of the consumer protection group Public Citizen. "They expect a return on their investment. Their return is access. Their return is favorable treatment."

According to the Center for Responsive Politics, which tracks campaign money, Sens. Kay Bailey Hutchison and John Cornyn have received \$2.1 million and \$1.6 million, respectively, from oil and gas companies since they were elected to Congress. That makes them the second- and third-highest recipients in the Senate.

Both Cornyn and Hutchison criticized Obama's order as hampering domestic oil production. Aides to both senators said the industry's contributions did not affect their positions. Corporations cannot donate

directly to candidates, but many establish political committees or funnel money through industry groups. Individual executives and employees often donate as well.

Barton, former chairman of the House energy committee and now the panel's senior Republican, has collected almost \$1.5 million since 1989, the oldest data available. That includes \$27,350 from BP, making him the third-biggest recipient of BP money in the House.

With so many oil and gas companies in Texas, it's natural that lawmakers have philosophical and financial ties to the industry, said Rayola Dougher, senior economic adviser for the American Petroleum Institute, an industry group.

"When I look at the numbers of how important the industry is in Texas, I have to think they're representing their constituents in the best way they know how," Dougher said.

Rep. Ralph Hall of Rockwall, the senior Republican on the House science committee, said that if anything, the BP spill shows a need for more drilling in deep waters because it demonstrates the vast petroleum reserves in the gulf.

"There's this huge stream of energy that's coming out of that broken pipe," Hall said. "It's certainly something we could use to lessen our dependence on Arab energy."

Hall has received over \$520,000 from the industry over two decades, an amount he said was logical given that Texas is an energy hub.

"I appreciate it. It sure helps," Hall said. "But they don't cause me to vote one way or another."

Houston Rep. Gene Green – a self-described "oil patch Democrat" – has received more than \$370,000 from the industry. He refrained from directly criticizing Obama's moratorium on new deepwater drilling permits but said he hopes it won't last the full six months that the president outlined. He also was pleased that shallow-water operations aren't subject to the moratorium.

Barton has long advocated expansion of domestic oil and gas exploration. As House energy chairman in 2005, Barton oversaw major legislation that reduced taxes and gulf drilling royalties that oil companies must pay by billions of dollars.

He also sought legislation encouraging construction of new refineries, though that bill died in the Senate.

Last month, with Congress pointing fingers over the BP spill, Barton accused committee Chairman Henry Waxman, D-Calif., of trying to create "some sort of an adversarial situation" with the oil industry.

"It's obvious, being where I'm from and the committee I'm on, I'm going to be supported by the oil and gas industry," Barton said. "But in how that affects my vote, I do what I think is the right thing."

Barton also has bucked the industry at times. In 2006, he sharply criticized BP for safety and inspection failings related to pipeline leaks in Alaska.

As for the gulf catastrophe, Barton said he is sure that BP and others will learn from mistakes without a need for a moratorium on current or future deepwater exploration. The disaster has been too costly for the industry to ignore.

"The market is a wonderful thing," Barton said. "I guarantee you they're looking at their procedures and their equipment."

CONTRIBUTIONS TO TEXANS IN CONGRESS

A look at oil industry donations to members of Congress from Texas:

Member	Oil/gas industry donations	Rank*
Sen. Kay Bailey Hutchison	\$2.1 million	1
Sen. John Cornyn	\$1.6 million	3
Rep. Joe Barton, R-Arlington	\$1.4 million	1
Rep. Mike Conaway, R-Midland	\$651,718	1
Rep. Pete Sessions, R-Dallas	\$642,864	2
Rep. Kay Granger, R-Fort Worth	\$612,807	1
Rep. Ralph Hall, R-Rockwall	\$529,468	3
Rep. Kevin Brady, R-The Woodlands	\$445,697	1
Rep. Randy Neugebauer, R-Lubbock	\$440,772	1
Rep. John Culberson, R-Houston	\$423,561	1
Rep. Chet Edwards, D-Waco	\$409,698	9
Rep. Sam Johnson, R-Plano	\$393,700	3
Rep. Lamar Smith, R-San Antonio	\$391,147	2
Rep. Gene Green, D-Houston	\$374,113	5
Rep. Mac Thornberry, R-Clarendon	\$351,480	1
Rep. Louie Gohmert, R-Tyler	\$257,063	3
Rep. Jeb Hensarling, R-Dallas	\$232,650	10
Rep. Solomon Ortiz, D-Corpus Christi	\$220,432	2
Rep. Pete Olson, R-Sugar Land	\$216,300	1
Rep. Ted Poe, R-Humble	\$208,450	3
Rep. Michael McCaul, R-Austin	\$207,734	6
Rep. Michael Burgess, R-Lewisville	\$195,246	3
Rep. Ron Paul, R-Lake Jackson	\$178,632	17
Rep. Sheila Jackson Lee, D-Houston	\$173,525	6
Rep. John Carter, R-Round Rock	\$164,150	5
Rep. Henry Cuellar, D-Laredo	\$157,350	4
Rep. Charlie Gonzalez, D-San Antonio	\$143,500	7
Rep. Kenny Marchant, R-Coppell	\$139,750	1
Rep. Rubén Hinojosa, D-Mercedes	\$98,084	9
Rep. Ciro Rodriguez, D-San Antonio	\$96,500	13
Rep. Silvestre Reyes, D-El Paso	\$83,350	12

Rep. Lloyd Doggett, D-Austin	\$51,730	n/a
Rep. Eddie Bernice Johnson, D-Dallas	\$32,875	n/a
Rep. Al Green, D-Houston	\$26,400	13

NOTE: Tally includes donations from political action committees and individuals starting in 1989, or the lawmaker's first year in office if later than 1989.

SOURCE: Center for Responsive Politics

^{*} Rank indicates where the oil industry ranked among the top industries to donate to a lawmaker. N/A means the oil industry wasn't among the top 20 givers to that lawmaker.

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Daily Campus

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SMU goes green

By GLORIA SALINAS News Editor gosalinas@smu.edu

Classrooms and students LEED campus GREEN initiatives. Evergreen grass, freshly cut lawns, rows of leafy green trees: SMU's campus is no slouch in landscaping, even if it's what's inside that matters the most.

SMU's lush landscaping has been recognized by the Grounds Management Society for "exceptional grounds maintenance," and it leads the state of Texas in green sustainability buildings. In 2006, J. Lindsay Embrey, which houses the mechanical, environmental and civil engineering departments, was the first university building in Texas to be certified gold LEED.



MICHAEL DANSER/The Daily Campus The new Caruth Hall building hopes to become the second LEED Gold certified building in the engineering school.

The LEED (Leadership in Energy and Environmental Design) Green Building Rating System means buildings, like Embrey's classrooms, are designed to save energy and essentially, to recycle. Embrey is certified gold because it was built to reduce the need for indoor lighting. Its large windows and central three-story column allow the building to run on daylight.

SMU is also the primer university to implement waterless urinals campus wide. These urinals save 40,000 gallons of water annually.

Michael Paul, executive director of facilities management and sustainability at SMU, believes the greatest accomplishment SMU has made in being a green campus is the LEED buildings.

"A huge amount of credit with this accomplishment [LEED certified buildings] goes to Dean Orsak who pushed for the very first LEED building, then pushed that it be gold," Paul said. "Then Carl Sewell and President Turner, with a handshake, agreed that all future SMU buildings would be LEED certified, when practical."

The next building expected to be certified gold LEED is Caruth Hall, which opened this spring and will be a part of the Bobby B. Lyle School of Engineering. Tiana Lightfoot Svendsen, incoming chair of the sustainability committee, said she is most excited about new projects at SMU that involve LEED buildings, single stream recycling and environmentally focused academic programs. Svendsen said strengthening student involvement on campus is the key to fueling environmental accomplishments.

"First-year students can get involved in green efforts by joining the Environmental Society or Students for a Better Society," Svendsen said.

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"These groups ocus on promoting events like "Recyclemania," a yearly recycling competition amongst campuses across the nation and eco friendly music festival."

Opportunities for a green campus seem endless. Students may draft environmental legislation by becoming a representative for the Student Concerns Committee of the Student Senate, take courses or even minor in Environmental Studies or Environmental Science. Students can also join the Campus Sustainability Committee, which is particularly looking for a student "who is interested in gaining Public Relations experience, by helping with web and news print editing," Svendsen said.

SMU Environmental Society President Andrea Fernandez said she is excited about the growth of interest in the society and projects. This fall, a younger group of individuals will be leading the society, and that makes for "new and hip ideas and a desire to grow," Fernandez said.

"Last semester, we helped out at a Black Eyed Peas concert and got to see them for free," she said. "More [opportunities like] this will be available as the group grows and events need more help with recycling and petition signing."

Fernandez urges students to stop by the organization's table at the involvement fair, "A Night at the Club," and check it out on Facebook – SMU Environmental Society. Keeping SMU beautiful and green is a growing initiative, and let's face it — green is the new black.

For more information on SMU's environmental efforts, visit smu.edu/sustainability.

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Tenaska Hearing daily updates: June 3

By Emily A. Peters

Originally published 09:05 a.m., June 3, 2010 Updated 02:35 p.m., June 3, 2010

AUSTIN, Texas — 2:15 p.m. After more questions for Campbell about the issues surrounding regulations of carbon dioxide emissions, the hearing is adjourned until tomorrow.

In the morning, air and toxicology specialists from the Texas Commission on Environmental Quality will testify. TCEQ helped Tenaska prepare its air quality permit application.

12:06 p.m. - Four Big Country landowners are attending today's hearing to show opposition to the proposed power plant. Sisters Treet and Vicki Broadwell and siblings David "Joe" and Marilyn Starkey made the trek to Austin as part of the Multi-County Coalition. They won't personally testify, but they are represented by Hammond. Lunch break.

11:10 a.m. - William Campbell, an environmental consultant for Tenaska, is answering questions about the formulas he used to come up with projected carbon dioxide emission levels for Trailblazer.

He said carbon dioxide is a greenhouse gas, but no regulations currently limit emissions. He explained Tenaska asked him to suggest a limit for this plant anyway in anticipation of forthcoming regulations from the Environmental Protection Agency. He suggested Trailblazer shouldn't emit more than 8.02 million tons a year of carbon dioxide equivalent.

10:35 a.m. - Austin toxicologist Thomas Dydek takes the stand for Tenaska. Multi-County Coalition lawyer Wendi Hammond asks him about potential harmful effects of amine chemical compounds proposed for the plant and their emissions.

The toxicologist said early calculations didn't reveal high enough levels of potentially harmful emissions to require Tenaska to mention them in the permit application.

9:45 a.m. - Public Interest Council points out Tenaska has proposed some Trailblazer emission rates that are higher than TCEQ recently set for another plant. Tenaska consultant says the tests used to set that certain chemical's level at the other plant are questionable. He said Trailbalzer probably will meet those lower levels, but may not be able to sustain it over entire 30-50 years of plant life.

9:20 a.m. - Sierra Club is questioning Tenaska consultant about emission levels caused by technology used in plant boilers.

9:03 a.m. - Day two of the hearing gets underway. Administrative Law Judges Ami Larson and Sarah Ramos are presiding.



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Tenaska touts 'revolutionary' plant; opponents question funding

Permit discussion begins in Austin

Emily Peters peterse@reporternews.com / 325-676-6776

Wednesday, June 2, 2010

The hearing for Tenaska's air quality permit application began in Austin on Wednesday with a Tenaska official touting international interest in the "revolutionary" carboncapturing technology the coal-fired power plant is proposing to use.

Opponents of the power plant questioned Tenaska officials about the uncertain funding sources some fear could fall through and lead the plant to emit more carbon into the Sweetwater skies than expected.

Those parties will continue hashing out issues surrounding the \$3.5 billion Trailblazer Energy Center through early next week at the State Office of Administrative Hearings.

Two administrative law judges are gathering the testimonies for the Texas Commission on Environmental Quality, which will consider approving the permits Tenaska needs to start construction. The Sierra Club, which claims TCEQ standards are slack, reports the agency has approved 97 percent of its permits since 1971.

Opposing the plant are lawyers from the Sierra Club and the Multi-County Coalition, which represents a group of angry citizens who live near the proposed plant. (One of the state's leading environmental organizations previously agreed not to oppose the plant when Tenaska agreed to use technology that would limit emissions and water usage.)

Greg Kunkel, Tenaska vice president of environmental affairs, was the first witness brought by Tenaska.

Kunkel touted the international interest in this plant's plan to capture 85 to 90 percent of its carbon byproduct to sell to Permian Basin companies for use in oil drilling.

He said Tenaska's purpose for building the nation's first carbon-capture plant of this size and nature is "to prepare ourselves for a regulatory future that limits our greenhouse gases and emissions for the industry. Through this project, we learn the engineering that's needed to solve these things."

Kunkel said that selling the carbon dioxide could fund about half the plant's operations but that the plant's future is dependent on other funding sources, such as federal carbon capture incentives "still floating around in the Legislature."

"We would not move forward until we have all the necessary (funds)," Kunkel said, noting he's confident various agencies will soon solidify incentive plans for carbon control.

MCC attorney Wendi Hammond noted the proposed TCEQ permit doesn't require Tenaska to capture any carbon. If those funding sources fall through, she fears nothing stops Tenaska from building "just another coal plant" or selling the permit to someone else who won't capture carbon.

Kunkel said he didn't think the company had considered selling the permit.

Kunkel also said some of the emission levels proposed in this air quality permit are higher than standards required for tax credits with the Texas Clean Energy Project recently passed by the state Legislature.

He said Tenaska could work to lower those emissions to qualify.

Hammond also asked Kunkel about funding falling within the timeline, noting construction must start 18 months after TCEQ approves a permit.

"Time is the enemy of all projects," Kunkel acknowledged. "Once we get the air permit, we'll work very hard to put all the other financing pieces together. That's always an issue for any project."

Christina Mann, an attorney with the Sierra Club, questioned a Tenaska environmental consultant about chemical emission limits and noted TCEQ standards aren't always tough enough. She pointed out instances where Tenaska has recently proposed lower emission limits in some of its facilities in other states.

The consultant, Paul Greywall of Trinity Consultants, agreed, but noted other chemical limits are better than state standards.

Tenaska opposition groups have asked to hold testimony from their expert witnesses until Monday. They are expected to present testimony about an alternative type of carbon-busting technology and global warming, which has not previously been allowed in similar hearings.

A handful of Nolan County residents are expected to attend the hearing each day.

"All I'm hearing are a bunch of 'ifs' coming out of their mouths," said Treet Broadwell, who has a farm near the proposed plant site. "So much of it still seems to be unknown."



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The New Hork Times



June 1, 2010

Court Tosses Landmark Global Warming Ruling After Late Recusal

By GABRIEL NELSON of Greenwire

After an unusual about-face prompted by a late recusal, a federal appeals court has scrapped a ruling that said the nation's largest producers of greenhouse gas emissions could be sued for the damage caused by global warming.

The case, *Comer v. Murphy Oil*, started with a lawsuit by Gulf Coast residents affected by Hurricane Katrina. Claiming that global warming contributed to the severity of the storm, the plaintiffs sued dozens of the nation's largest polluters -- a veritable who's who of utilities, chemical companies and the oil industry.

The *Comer* case is one of several pioneering climate change cases based on claims of public nuisance, a centuries-old mainstay of common law that allows people to sue their neighbors for nuisances such as foul smells, loud noises or overgrown trees. A three-judge panel from the 5th U.S. Circuit Court of Appeals ruled last year that the plaintiffs could proceed with their lawsuit, but that ruling is now out of play unless the plaintiffs appeal to the Supreme Court and the justices decide to intervene.

Of the 16 active judges on the court, seven had recused themselves from consideration of the case, presumably because of ties that could have been construed as presenting conflicts of interest. The remaining nine voted last year to let the entire court consider the case *en banc*, vacating the panel's decision, but when an eighth judge recused herself in April, the court no longer had a quorum (*E&ENews PM*, April 4).

After reviewing briefs from the plaintiffs and defendants, the remaining eight judges ruled last Friday afternoon that they lacked a quorum, meaning they could not review or reinstate the panel's decision. Instead, they stuck with a district court's decision that the plaintiffs lacked standing for a lawsuit because the ties between emissions, global warming and the severity of Hurricane Katrina were too tenuous.

"This court, lacking a quorum, certainly has no authority to disregard or to rewrite the established rules of this court," said Friday's <u>order</u> (pdf), which was signed by five of the eight remaining judges. "There is no rule that gives this court authority to reinstate the panel opinion, which has been vacated."

Environmentalists hope that one of the nuisance cases could boost U.S. action on climate change, adding to the Supreme Court's 2007 ruling in *Massachusetts v. EPA* that the agency is required to regulate greenhouse gases as pollutants. It's unclear how Friday's decision will change the judicial calculus should the court be asked to grant review to a nuisance case.

The industry defendants in a similar case, *Connecticut v. AEP*, are required to appeal to the Supreme Court by next week. The 2nd U.S. Circuit Court of Appeals decided earlier this year not to grant *en banc* review to a panel decision that said states have standing for a public nuisance case against producers of greenhouse gas

emissions.

The plaintiffs in *Comer* will have 90 days to file a petition for Supreme Court review.

Though Friday's decision hinged on an arcane procedural question, it infuriated environmentalists, who say the recusal of eight judges from the case suggests that judges are in the pocket of polluters. Judges typically recuse themselves because of investments or outside ties to parties involved in a case, so the sheer number of defendants and industry attorneys could have also been a factor.

Others have speculated that the Gulf of Mexico oil spill could have given one of the judges a new reason to recuse. Among the defendants is BP PLC, which leased the Deepwater Horizon rig responsible for the spill.

The number of recusals suggests that plaintiffs in the 5th Circuit will get "less than full and fair treatment" in lawsuits against industry, said James May, a Widener University law professor who wrote a brief urging the court to reinstate the panel's decision.

May said similar issues could come into play during oil spill litigation. Most plaintiffs want their cases heard in federal district court in New Orleans, while BP PLC has asked to consolidate the litigation in Houston -- both of which are within the 5th Circuit.

"It's a hole in the law, spreading a poisonous precedent," May said, describing Friday's decision as the legal equivalent of the spill.

The 5th Circuit's decision to leave the district court ruling in place, issued Friday, also prompted harsh dissents from the three judges whose decision was not reinstated. Judge James Dennis chastened the court for what he described as "shockingly unwarranted actions," saying the majority's decision effectively robbed the plaintiffs of their right to an appeal in federal court.

Barring Supreme Court review, which is granted in less than 1 percent of cases, the majority's decision would cause the court to "default on its absolute duty to hear and decide an appeal of right properly taken from a final district court judgment," Dennis wrote.

<u>Click here</u> (pdf) to read the opinion.

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6/3/2010

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EPA Seeking to Regulate Pesticides as Water Pollutants

By Lea Yu on June 2, 2010 in Environmental Safety and Health, News & Notes | No Comments

The <u>Environmental Protection Agency</u> ^[1] (EPA) today announced a proposed pesticide permit system that would require farmers and other users to minimize pesticide application, prevent leaks and spills and report incidents.

For decades the Clean Water Act has regulated pollutant discharge through a permitting process, but the EPA never categorized pesticides as "pollutants." This changed last year, when a U.S. Court of Appeals ruling upheld the EPA's authority to subject pesticide discharges to a permitting process. The decision overturned a controversial 2006 Bush administration rule that exempted certain pesticide uses from CWA regulation.

The Clean Water Act already applies when pesticides are applied directly to water to control pests like mosquitoes and weeds, but the new permitting system would expand this coverage to applications over or near water. Pesticides sprayed near a river bank, for example, invariably drift into the water through runoff.

Agriculture groups and conservatives have <u>challenged</u> [2] the new pollutant classification, arguing that it will unnecessarily burden farmers by requiring a second permit.

The EPA already regulates pesticides under a <u>separate permit system</u> ^[3], but environmentalists say this <u>regulation</u> ^[4] does not stringently monitor water quality, protect ecosystems or consider least-toxic alternatives. The permit will undergo public comment and state input in the upcoming months, and will take effect Spring 2011.

Printed from FairWarning.org: http://www.fairwarning.org/2010/06/epa-seeking-to-regulate-pesticides-as-water-pollutants/

URLs in this post:

[1] Environmental Protection Agency:

http://yosemite.epa.gov/opa/admpress.nsf/0/0330728F34E5807185257736004E0E8E [2] challenged: http://www.nytimes.com/gwire/2010/02/23/23greenwire-supreme-court-denies-3-high-profile-environmen-26153.html

- [3] separate permit system: http://www.calt.iastate.edu/cleanwater.html
- [4] regulation: http://www.beyondpesticides.org/dailynewsblog/?p=3192

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EPA chief to speak at MAST graduation

By KATHLEEN McGRORY kmcgrory@MiamiHerald.com

They didn't get the president, but the graduating seniors from MAST Academy are still getting a superstar commencement speaker: the head of the U.S. Environmental Protection Agency.

EPA Administrator Lisa Freed will deliver the keynote speech at the June 7 graduation ceremony.

Earlier this year, MAST was one of six high schools nationwide vying to have President Obama deliver its commencement address.

Obama launched the contest as a means of recognizing standout schools with top graduation rates. Hundreds of schools applied, submitting creative essays and video clips, the White House said.

MAST made it to the top six, but did not garner enough votes from the public to move on to the final three.

Principal Thomas Fisher said he was ``extremely proud" of his students.

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